

INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

**

Paris, Thursday, December 7, 1995.

No. 35,077



U.S. Air Force personnel boarding a plane Wednesday at Ramstein Air Base, Germany, bound for Tuzla. There are now 30 U.S. troops in Bosnia.

Christopher Takes Up Serbs' Lingering Worries

By Roger Cohen
New York Times Service

BRUSSELS — Directly addressing the concerns of Bosnian Serbs for the first time, Secretary of State Warren M. Christopher said Wednesday that the Bosnia peace agreement concluded last month should put into effect "with sensitivity." But he ruled out any change or addition to the accord.

The approximately 80,000 Serbs living in Serb-held districts of Sarajevo have vehemently objected to the agreement's stipulation that all of the city be handed over to the Muslim-led government.

They have received outspoken support from one

French general serving with United Nations forces in Bosnia, who was promptly relieved of his post, and more guarded expressions of sympathy from the French government.

At a joint news conference with Andrei V. Kozyrev, the Russian foreign minister, Mr. Christopher seemed concerned to take account of Russia's traditional support for the Serbs.

"It is clear the implementation of the Dayton agreement needs to be done with sensitivity to the needs of the parties, and certainly that will be taken into account," he said.

Mr. Christopher and Mr. Kozyrev were attending a meeting here between NATO foreign ministers and

their colleagues from countries that have joined the Partnership for Peace, a cooperative accord between the alliance and nations from the former Soviet bloc that are interested either in joining NATO or in working closely with it.

Elaborating on Mr. Christopher's remarks, Nicholas Burns, the State Department spokesman, said later, "We need to be sensitive to the needs of the Bosnian Serb population, especially in the southern suburbs of Sarajevo."

But Mr. Burns added that there would be no annexes to the accords or "complementary written

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Clinton Presses Efforts to Win Support for Bosnia Mission

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton pressed a vigorous campaign to win congressional backing for the Bosnia peace mission Wednesday, saying that despite a setback in the Senate he felt upbeat after a meeting with the speaker of the House.

"I'm encouraged," Mr. Clinton said. "I had a good visit with the speaker about it."

The speaker, Newt Gingrich, Republican of Georgia, has promised to give the administration's case a full hearing before bringing the matter to a vote before Dec. 14. That is the day the peace accord reached last month in Dayton, Ohio, is due to be signed formally at the Elysee Palace in Paris.

But in the Senate, a Bosnia debate that was to have begun Wednesday was postponed amid persistent resistance from members. Senate leaders said they were hammering out wording that would satisfy the reservations of a majority of senators.

Mr. Clinton, striving to patch together a coalition of supporters, addressed Wednesday a bipartisan group of former high-ranking U.S. officials who have endorsed his Bosnia policy. Earlier, he received statements of support from three former presidents, both Republican and Democrat, and from a former chairman of the Joint Chiefs of Staff, General Colin L. Powell.

Resistance in Congress has persisted, however.

Mr. Clinton said that he was working day by day to win over doubters, a majority of them Republicans.

Some of Mr. Clinton's top deputies, returning to Capitol Hill on Wednesday to testify about the plans to send 20,000 U.S. soldiers to Bosnia, encountered fresh expressions of doubt. The U.S. troops will join about 40,000 soldiers from other countries in the NATO mission.

Secretary of Defense William J. Perry, addressing a key concern, told senators that the troops' mission might last a few weeks beyond a year, but "not months."

The Senate majority leader, Bob Dole, has been

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Unions Spurn Juppé's Offer And Call for Wider Strike

Disruption by Workers Seems to Be Slowing; Franc Remains Strong

Compiled by Our Staff From Dispatches

PARIS — Unions representing millions of striking public workers called Wednesday for a broader strike as they rejected Prime Minister Alain Juppé's attempts to end a walkout that has immobilized parts of the country for 13 days.

The strike by railroad, postal, telephone, hospital and gas workers threatened to spread to France's airlines but unions have so far failed to shut down public services completely or attract workers from the private sector. (Page 5)

Telephones were still working Wednesday, trash was picked up and some postal service remained. Of the nation's 139 post offices, just 77 were blocked by pickets on Wednesday, seven fewer than on Tuesday.

In another encouraging sign for the government, the franc has remained immune from attack by speculators on the foreign exchange market. (Page 11)

"It is necessary to continue the struggle," said Louis Vianmet, head of the General Labor Confederation, or CGT, which is France's largest labor union and is closely aligned with the Communist Party.

The unions' protests planned for Thursday will test the strike's momentum. CGT-led demonstrations on Tuesday drew about 700,000 people nationwide, but the turnout in Paris of 50,000 was considered relatively weak.

Workers at Air France and the domestic airline Air Inter also planned to strike on Thursday, and action by air controllers, which disrupted flights from Paris on Wednesday, was set to continue.

After a weekly cabinet meeting, the government spokesman, Alain Lamassoure, said the government "was in the process, since last night, of making a certain number of exploratory contacts."

He said he hoped "dialogue" would end the strike "as quickly as possible."

The unions are protesting the government's plan to freeze wages for 5 million public employees and cut their retirement benefits in an effort to slash a \$65 billion budget deficit.

Marc Blondel, chief of the Workers Force union, echoed Mr. Vianmet's determination to stand firm against the government, but Nicole Notat, head of the French Democratic Labor Confederation, welcomed Mr. Juppé's offer Tuesday to discuss the terms of the budget overhaul with the unions.

Mr. Juppé stopped short of saying he would negotiate with the unions, which is what they have been asking for since transport workers started their strike Nov. 24.

On Tuesday, Mr. Juppé forcefully reiterated his intention of sticking to the government's plan.

"France is at a crossroads," he told the National Assembly. "France has to choose between change and decline."

Financial markets were down early

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Bonn Clears Deployment

The lower house of the German Parliament voted Wednesday to send troops to take part in the NATO-led Bosnian peacekeeping operation. A motion calling for 4,000 transport, medical and logistics specialists as well as Tornado fighter bombers to join the mission got the support of 543 deputies in the Bundestag. There were 107 votes against and 6 abstentions. (Page 8)

In a world where nuclear weapons seem to carry dwindling political clout, Germany's nonnuclear status is actually an asset as the country emerges as the power broker in Europe. And its military participation in Bosnia, which partly compensates for blundering German diplomacy blamed for helping precipitate the conflict, will probably accelerate Germany's progress toward permanent seat on the United Nations Security Council alongside the five nuclear powers. As it

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AGENDA

Russian Airliner Lost in Far East

MOSCOW (Reuters) — A Russian plane with 88 persons on board disappeared in the Far East on Wednesday and is feared to have crashed, an emergencies Ministry spokeswoman said.

The spokeswoman said the Tu-154 craft had lost radio contact between Yuzhno-Sakhalinsk on the island of Sakhalin and Khabarovsk, where it had been due to arrive at 8:45 P.M. Moscow time. She said it was presumed the plane had crashed and local officials had been sent to investigate.

Clinton Vetoes Budget

President Bill Clinton vetoed the Republicans' seven-year plan for balancing the federal budget Wednesday.

While the veto had been expected, Mr. Clinton contributed an element of theater by vetoing the measure with the pen that Lyndon Johnson used to sign Medicare and Medicaid into law in 1965. (Page 3)

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Germany Moves to Shoulder Europe's Post-2000 Military Burden

By Joseph Fitchett
International Herald Tribune

MUNICH — Bonn is quietly putting in place a German-led structure for Europe's defense beyond the year 2000. But the plan is not exactly a blueprint for leadership.

It looks more like an insurance policy to enable Europeans to weather the shock if the United States fails to respond to a future Bosnia and abandon any remaining pretense of trans-Atlantic cooperation in defense manufacturing.

"The Germans have concluded — wrongly, I think — that they have to reckon with the risk of U.S. military disengagement and their concern is reshaping their forces and their defense industry in ways that will affect all Europe," a Clinton administration official said.

But so far, U.S. officials in general see Germany moving with gratifying — and slightly surprising — speed to shed inhibitions about the use of force.

"The government hasn't yet shown the kind of leadership, with tough decisions, that you expect from a quasi-superpower," the Clinton aide said, implying

that it was only a matter of time before Germany started to fill what is widely seen as a leadership vacuum in Europe.

For all practical purposes, a French defense official said, "Germany could well be Europe's strongest military power in five years."

Of course, France and Britain will have nuclear weapons while Germany has renounced that option.

But German military budgets, which have stopped falling, will match France's by 1997 if the current drastic pruning continues in Paris.

The new German thinking was corroborated in recent interviews in Bonn, even though officials invariably insisted that the nation's political elite still wants a strong presence as a means of reassuring Europeans. But they cited worries that Congress no longer seems to know or care about what happens in Europe and that U.S. defense manufacturers have become aggressively competitive against European companies, seeking to shut them out of the export markets that alone can keep Europe's defense contractors solvent.

Worrying about a possible trend toward U.S. dis-

engagement, German security planners are quietly expanding their panoply of military options. Although troops — and the use of force — remain an uncomfortable option for many Germans, national sentiment has shifted noticeably toward the acceptance of a stronger role for the military.

So far, however, Germany's growing authority stems less from a standing army that is becoming the strongest in Europe than from the fact that it is becoming the pillar in every sector of European security, including defense industries.

"We've realized we may have to make it on our own in Europe," a German government adviser said. That phrase signals a radical change from the 1980s, when Bonn often balanced its commitment to NATO with concessions to French-inspired moves toward greater military independence for Europe. That tactic was aimed mainly at drawing France closer to NATO, with its U.S. guarantee.

Now quite different dynamics are at work. German resources and industrial vision are putting Germany at the center of European defense cooperation. More easily than its neighbors, Germany can afford to modernize and equip its armed forces for the problems liable to threaten European interests.

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Natural Substances Said to Stop HIV Virus

By Gina Kolata
New York Times Service

NEW YORK — Scientists reported Wednesday that they had found several powerful natural substances that the body uses to stop the AIDS virus in its tracks.

AIDS researchers said the discoveries, reported in two major scientific journals, could have profound implications for the prevention and treatment of infections with the human immunodeficiency virus, which causes AIDS.

The notion that there were such substances was first suggested a decade ago by Dr. Jay Levy of the University of Calif.

ifornia in San Francisco, but they had proved elusive and many scientists had doubted that they existed at all.

With the current reports, leading AIDS researchers say that new pathways are opened. The substances may be useful as treatments. They may also turn out to be a prognostic indicator — infected people who are producing little of the substances may be on a downhill course and require intensive therapy with anti-viral drugs. They may help explain why the virus never takes hold at all in some people who are repeatedly exposed to it through risky behavior. And they may explain why even among infected people, some live into a second decade

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without becoming ill while others fall ill within a few years of an HIV infection.

In addition, the substances might help explain the central mystery of AIDS vaccine research — what is it that a vaccine should elicit to protect against HIV infections?

But, while praising the potential of the discoveries, experts were quick to add caveats.

"From a conceptual standpoint, it's very important," said Dr. Anthony Fauci,

director of the National Institute of Allergy and Infectious Diseases. But, he cautioned,

Dow Jones Trib Index

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5199.13 130.34

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Wed close DM 1.4465 1.4325

Pound 1.542 1.5425

Yen 101.60 101.27

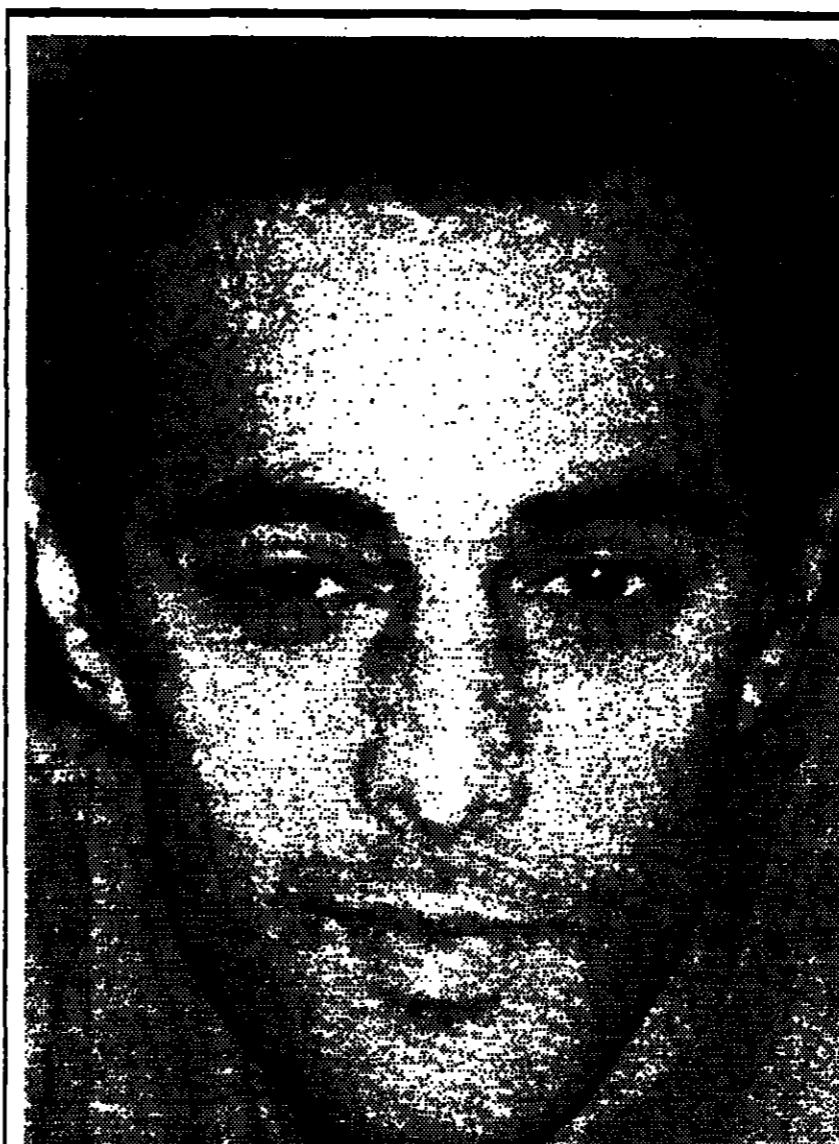
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There was a pause in the opening bell for the battle of the future will be very dynamic and very opportunistic, with high tempo and increased technology," said Colonel Tom Harkins, director of operations at the new Warfighting Laboratory at Quantico, Virginia. "There will be a lot of information, much of it incomplete. We want to see if we can glean something from how the traders handle it."

It is rare, experts say, for successful military establishments to look outside their barracks for ideas. It is even rarer to see Marine officers with severe burns and yards of battle citations risk making fools of themselves in a civilian pursuit.

Working on the trading floor of a futures exchange is the financial equivalent of hand-to-hand combat. But there are no purple hearts for ulcers, hypertension and bankruptcy. Armed with capital, traders

See MARINES, Page 8



A DAY IN COURT — Yigal Amir, the confessed slayer of Yitzhak Rabin, watching proceedings Wednesday as his trial was set for Dec. 19. Page 2.

جامعة الدول العربية

In La Guardia's Footsteps/ Giuliani to the Rescue

New York City's Bold Mayor Tames the Monster

By John Tierney
New York Times Service

NEW YORK — Mayor Rudolph W. Giuliani, not one to underestimate himself, feels a certain kinship when he looks at the portrait of Fiorello La Guardia that hangs behind his desk at New York's City Hall. "A really terrific model," Mr. Giuliani calls the renowned former mayor.

"He was the last reformer as mayor," Mr. Giuliani says. "For his time he captured exactly what New York City needed: somebody who can challenge the assumptions and is willing to be controversial."

Mr. Giuliani read a biography of Mr. La Guardia during the 1993 campaign, and one of his first acts as mayor was to move Mr. La Guardia's desk and portrait into his office. It was a presumptuous thing to do, but in his first two years Mr. Giuliani, a Republican, has fulfilled at least part of his mission. No mayor since Mr. La Guardia, who served from 1934 through 1945, has challenged so many assumptions and created so much controversy.

Why, his critics keep asking, can't Mr. Giuliani disagree with people without insulting them? Why must he always be right?

First of two articles

always in charge? Each new fight prompts new analyses of his character flaws, new predictions of doom for him and the city.

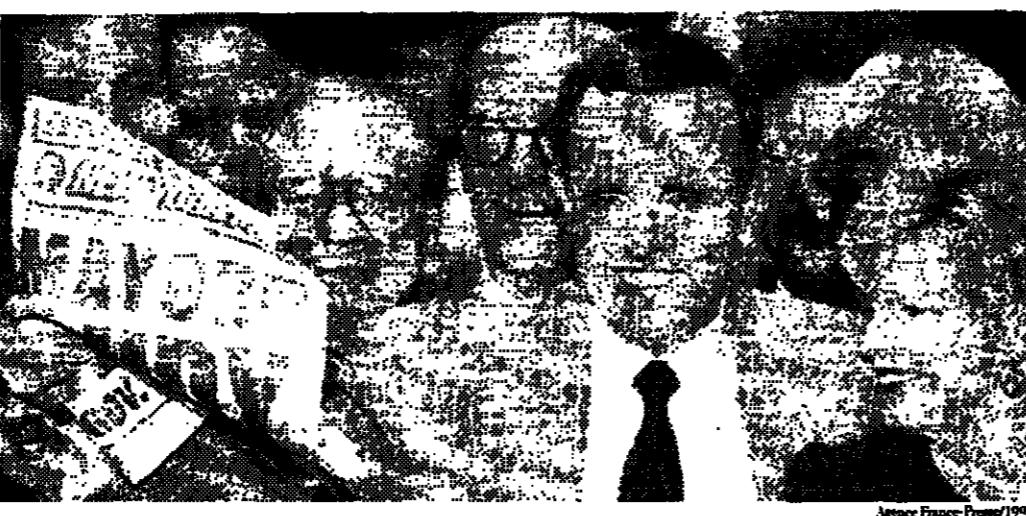
Yet somehow, despite all these flaws, he has accomplished more in two years than almost anyone imagined possible. Facing one of the worst fiscal crises in the city's history, he balanced two budgets while cutting taxes. The municipal labor force has shrunk, but the streets and parks are cleaner. Crime has dropped so sharply that New York is now one of America's safest cities. The city is reducing its welfare rolls and running the nation's largest welfare program.

Mr. Giuliani hasn't yet reinvented New York's government, but he has begun to reshape it, and he has transformed the city's political debate. He has challenged the assumptions of big-city liberalism, the philosophy that dominated New York for six decades — ever since that other Italian-American reformer became mayor.

Mr. Giuliani inherited a city with high taxes supporting America's only municipal welfare state; one of every six residents on welfare, one of every five jobs in the public sector. The city is by far the leading landlord and employer, and it finances legions of private workers providing social services — one of New York's few growth industries the past decade.

Mr. Giuliani preaches less government and more self-reliance, not just for individuals but for cities — what he called, in a speech earlier this year in Washington, a new urban agenda — one repudiating a liberal tradition dating to Mr. La Guardia and the New Deal.

Mr. Giuliani, who once planned to be a priest, shares Mr. La Guardia's conviction



Mayor-elect Giuliani heading into office in 1993; Mr. La Guardia bidding farewell after 12 years.



Trial Is Set Dec. 19 For Rabin's Killer Conspiracy Case Separate

Reuters

TEL AVIV — Yigal Amir, the confessed assassin of Prime Minister Yitzhak Rabin, will go on trial for murder on Dec. 19.

A Tel Aviv district court set the date Wednesday and ordered Mr. Amir held in custody until the end of criminal proceedings.

The case will be heard by a panel of three judges. Israel has no jury system.

"The accused plotted the action for an entire two years during which he was completely absorbed in the desire, the intention and the decision to murder the prime minister," said the prosecutor, Pinhas Guy, told the court.

Mr. Amir, a 25-year-old Orthodox Jew, was indicted a day earlier on charges of premeditated murder. He faces life imprisonment if convicted.

"Is he pleading guilty or not guilty?" Judge Menachem Ilan asked the defense lawyers, Mordechai Ofri and Yonatan Ray Goldberg.

"At this stage, it is hard for me to assess," Mr. Ofri replied.

"I must study the evidence."

Mr. Amir has said in previous hearings that he killed Mr. Rabin to stop the peace process with the Palestinians and had no regrets. He shot the prime minister at a Tel Aviv peace rally on Nov. 4 and has reconstructed the crime for police video cameras.

Mr. Amir was also named in a separate indictment charging him, his brother, Hagai, and a friend, Dror Adani, with con-

spiring to kill Mr. Rabin and to attack Arabs. Several weapons offenses were also listed.

The three defendants in this case will be tried together in proceedings separate from Yigal Amir's murder trial.

The heaviest penalty carried by any single charge is 15 years' imprisonment. But the prosecutor said sentences could reach "30 to 40 years" if she wins convictions on several counts and the court orders jail terms to run consecutively.

The three defendants laughed and smirked during the hearing. Yigal Amir, sitting behind his brother, teasingly raised two fingers behind his head and smiled at his family.

Hagai Amir and Mr. Adani were not charged as accomplices in the murder because they were not aware of Yigal Amir's plan to kill Mr. Rabin on the day of the assassination, Justice Minister David Libes said.

The three suspects discussed a number of ways to kill Mr. Rabin, including pumping nitroglycerin into the water pipes of his family home in Tel Aviv and exploding a car bomb or firing an anti-tank missile at the apartment, the indictment said.

Hagai Amir and Mr. Adani were ordered held until Jan. 7, when the court will decide whether the second trial will be heard before one or three judges.

Earlier this week, a soldier

was charged in military court with supplying explosives to the Amir brothers.

TRAVEL UPDATE**French Unions Step Up Disruptions**

PARIS — On the 13th day of France's crippling public sector strikes, unions on Wednesday widened their offensive against government plans to overhaul the welfare system.

Here is a summary of the main disruptions caused Wednesday, or expected later in the week:

* Still no rail or Paris public transport services. Bus and Métro services restricted in main provincial cities. Stoppages to spread to Marseille, Nantes and Lille on Thursday. Limited Eurostar trains between Paris, London and Brussels. Marseille, Nantes, Dunkerque and Saint-Malo dockers on strike. Ferry services from Calais, Dunkerque and Dieppe disrupted. Some trucking companies affected by strikes.

* Air France and Air Inter cabin crews expected to go on strike for 24 hours Thursday. Air controllers in regional centers are on strike, causing delays of one hour to 90 minutes on most flights out of Orly and Charles de Gaulle airports. Ground navigation personnel are expected to stop work Thursday.

* Widespread stoppages by local authority workers. Toulouse area providing minimum services after 90 percent of regional civil servants voted to strike. Bank of France expected to strike Tuesday and Friday.

* Postal officials say 77 of 135 sorting centers have been closed and 43 disrupted. Several post offices are closed, and 17 percent of staff are on strike. The air mail sorting center at Orly airport has been out of service since Monday. The air mail sorting center at Charles de Gaulle is operating at 50 percent of capacity.

Qatar Skips Finale of Gulf Talks

Compiled by Our Staff From Dispatches

MUSCAT, Oman — Qatar boycotted the closing session of the six-nation Gulf Cooperation Council on Wednesday, exposing rifts in the Gulf's Arab states.

Differences among the alliance members have traditionally been suppressed in a display of unity by the wealthy oil-producing states.

But Qatar's emir, Sheikh Khalifa ibn Hamad al Thani, ended that custom when he became the first leader to walk out of a summit meeting, apparently to protest against the final communiqué.

It included harsh language against Iraq and announced the appointment of a Saudi national, Jsmiel al Hujailan, as the group's new secretary-general.

Qatar had earlier insisted on having the post as it felt underrepresented in the alliance's administration, based in the Saudi capital, Riyadh.

It was not immediately clear whether Qatar's walkout was an indication of its complete withdrawal from the alliance.

(Reuters, AFP)

SUVIA, Fiji — Island countries say underground French nuclear test sites in the South Pacific have triggered a slump in tourism.

Although 3,850 kilometers (2,400 miles) west of France's Polynesian test site, Fiji claims to be one of the worst affected.

"The French nuclear tests are costing Fiji millions of dollars in lost tourism earnings," said Bill Whiting of the Fiji Visitors' Bureau. "I wish there was some way we could sue the French government for the losses, which we expect to continue in the first half of 1996."

Diplomats in Nairobi are calling for increased protection for foreigners after a spate of attacks, many by gunmen trying to hijack luxury cars. Tourists are frequently robbed, and foreigners are advised not to wear jewelry on the streets or to stop at traffic lights after dark.

Unions grounded flights of the Belgian airline Sabena for the second day in a week Wednesday after talks with management failed to settle disputes over pay and working hours, officials said. The 24-hour strike started after Sabena management failed to resume collective bargaining.

An influenza epidemic has broken out in Moscow after a four-year lull, and medical students are to bolster staff at clinics, the head of the Moscow health department told Interfax news agency. More than 500 cases of flu have been reported. (AP)

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THE AMERICAS

Clinton Vetoes Republicans' Budget-Balancing Plan

The Associated Press

WASHINGTON — Borrowing a pen that Lyndon Baines Johnson used 30 years ago to sign legislation assuring health care for the elderly and the poor, President Bill Clinton on Wednesday vetoed the Republicans' seven-year plan for balancing the budget.

"I am using this pen to preserve our commitment to our parents, to protect our opportunity for our children, to defend the public health and our natural resources and natural beauty, and to stop a tax increase that actually undercut the value of work," Mr. Clinton said in an Oval Office ceremony.

The White House promised that Mr. Clinton would offer his own seven-year budget formula on Thursday.

Mr. Clinton argued that the plan passed by the Republican-controlled Congress squeezes too much money

from Medicare and Medicaid. To dramatize that point, he vetoed the bill with the same pen that Mr. Johnson used to sign the Social Security Act amendments of 1965, which created Medicare and Medicaid. Mr. Clinton's veto was a foregone conclusion. Both sides in the budget battle have already moved on, with Republicans and the White House negotiating on another plan to balance the budget within seven years, as the Republicans demand.

"We must balance the budget but we must do it in a way that honors the commitments that we all have and that keep our people together," the president said.

"With this veto, the extreme Republican effort to balance the budget through wrong-headed cuts and misplaced priorities is over," he continued.

The president's promise to offer his

own seven-year plan was the first sign of movement in the week-old budget talks.

Mr. Clinton is likely to suggest smaller tax cuts and more savings from welfare, corporate tax loopholes and other programs than he proposed six months ago. In addition, according to an administration official and a congressional source who spoke on condition of anonymity, he probably will call for smaller spending increases for many domestic programs.

The White House press secretary, Michael McCurry, said this was a concession on the administration's part.

"We had better see some seriousness of purpose on the other side," he said.

Republican negotiators have demanded a detailed seven-year proposal, and until now Democrats had insisted on working from a broad-brush,

10-year budget-balancing outline that Mr. Clinton presented in June. "We are in the process of preparing a seven-year plan," the White House chief of staff, Leon E. Panetta, said Tuesday. "As you know, this isn't an easy process."

An administration source said Mr. Clinton would offer \$49 billion in welfare savings, \$15 billion more than he called for in June, but far less than the Republicans wanted.

On Medicare and Medicaid, Mr. Clinton has not budged from the savings he called for in June — \$124 billion from Medicare and \$34 billion from Medicaid. The Republicans want \$433 billion in savings from the two programs.

The administration official said the new White House plan probably would contain a smaller tax cut than the \$98 billion, seven-year reduction Mr. Clinton proposed in June and

might delay the effective date of a \$300-a-child tax credit until 1997 or later to reduce the cost.

When the new administration plan is unveiled, its economic projections will be a point of contention. It will be based on estimates by the White House budget office, whose forecasts are more optimistic than the congressional agency's and would require \$475 billion less in savings over seven years to eliminate the deficit.

However, the updated congressional numbers are expected to narrow the gap.

The Republican plan would trim taxes by \$245 billion. The Republicans also proposed saving \$270 billion from Medicare and \$163 billion from Medicaid, as well as reconfiguring both programs drastically. The Republicans' savings, however, are measured differently from Mr. Clinton's, making a direct comparison difficult.

POLITICAL NOTES

Rubin's Hush-Hush Tactics

WASHINGTON — Treasury Secretary Robert E. Rubin said the administration had found new, though legally untested, methods of keeping the government solvent "at least through January," giving the Clinton administration considerably more breathing room in its budget standoff with Congress.

While Mr. Rubin would not discuss how long he could drag out his fiscal balancing act, other officials said that lawyers with the Treasury and Justice departments had been trying to devise a legally defensible strategy for sidestepping the \$4.9 billion limit on borrowing, set by Congress, well into the spring.

"A lot of it is open to challenge, because the U.S. government has never had to do this before," one official said. "But we think we've got some ideas that will work."

Mr. Rubin declined to say what method the Treasury had chosen to keep the government paying its bills and the interest and principal due on government securities.

In the past, he has kept his strategy close to the vest, for fear that congressional Republicans would try to block him in their effort to force President Bill Clinton to choose between default and their budget priorities.

So far the Republicans have not launched a court challenge to the administration's efforts to avoid the debt ceiling, which is set annually by Congress. But congressional Republicans say they are clearing the path for such a move.

(NYT)

D'Amato Plans to Get Tough

WASHINGTON — The chairman of the Senate Whitewater committee said Wednesday that he would subpoena the notes a presidential aide took in a two-hour Whitewater meeting.

Alfonse M. D'Amato, the chairman, said "the White House has refused to give up" the notes of a former associate White House counsel, William Kennedy. Mr. Kennedy testified Tuesday to the committee that he had been instructed by the Clinton personal attorney and the White House not to disclose what went on in the Nov. 5, 1993, meeting.

Mr. Kennedy and three other presidential aides attended the Nov. 5 meeting, which took place in the office of the Clintons' newly hired personal attorney, David Kendall. The purpose of the meeting was to brief Mr. Kendall on Whitewater matters. The issue is whether the attorney-client privilege applies to the discussion.

"Every American has a right to receive private advice from a lawyer," a White House spokesman said.

Panel Closes In on Gingrich

WASHINGTON — Republicans on the House ethics committee have proposed naming an outside counsel in the investigation of Newt Gingrich, Republican of Georgia and the House speaker, but remained at odds with Democrats on the panel over how broad the counsel's authority should be, according to sources familiar with the proceedings.

The offer came after new ethics questions arose about Mr. Gingrich. Last week, documents in a Federal Election Commission civil suit against GOPAC, a political action committee Mr. Gingrich once headed, suggested the group had violated federal election laws and indicated a link between GOPAC contributions and Mr. Gingrich's official activities. Mr. Gingrich has repeatedly denied any wrongdoing.

Quote / Unquote

Representative Charles E. Schumer, Democrat of New York, on Republican plans for quick House action to repeal the ban on assault weapons: "A sudden assault weapons vote in December would be nothing more than a sneak attack. The American people are entitled to a full, fair and orderly debate, not an eleven-hour vote on a phantom bill."

Away From Politics

* Three explosions ripped through a steel plant in Ohio, injuring 14 workers, just as federal investigators were looking into an earlier accident. It was the fifth major incident at AK Steel Corp., in Middlebury, in the last 20 months. The explosions occurred near a blast furnace.

(AP)

* Thousands of toy vehicles, aquatic animals, baby bottles and meal sets made by Imperial Toy Corp., of Los Angeles and sold from 1993 to April 1995 are being recalled because they can break into pieces and possibly choke children.

(AP)

* A black supremacist was executed in Michigan for stabbing a white prison inmate to death with an ice pick in 1984.

Robert Earl O'Neal Jr., 34, was killed by injection after a final appeal was rejected by the U.S. Supreme Court.

(AP)

* A judge ordered Brown & Williamson Tobacco Corp.

not to destroy any files that Mississippi officials hope will prove the company hid the dangers of smoking.

(AP)

ASIA

Seoul Inquiry Turns to Allegations of Kickback on U.S. F-16s

Compiled by Our Staff From Dispatches

SEOUL — Prosecutors questioned a former defense minister Wednesday about allegations that General Dynamics Corp. paid former President Roh Tae Woo a huge kickback on a contract for F-16 fighter jets.

The allegations, previously denied by the American company, are an outgrowth of an expanding political scandal in which Mr. Roh has been jailed and indicted on charges of accepting bribes for awarding lucrative government contracts.

If convicted in a court procedure that starts Dec. 18, Mr. Roh would face 10 years to life in prison.

After nearly two months of investigation, prosecutors said that most of the \$654

million that Mr. Roh has admitted he embezzled during his 1988-1993 term came from bribes and other dubious "donations" from domestic business executives.

But about \$104 million remained unaccounted for, strengthening persistent allegations that Mr. Roh also got kickbacks from foreign companies involved in South Korean arms procurements and hid the money in Swiss bank accounts.

Prosecutors said that 35 industrialists — a Who's Who of South Korea's corporate world — were found to have been implicated in the political slush fund scandal, but only 12 were under indictment.

The former defense minister, Lee Sang Hoon, who held the post from 1988 to

1990, was questioned on whether the Roh administration received a kickback from General Dynamics for switching a decision to buy F/A-18 fighter jets from McDonnell Douglas in favor of General Dynamics F-

Douglas in favor of General Dynamics F-

16s, prosecutors said.

Han Ju Suk, a former head of the air force joint chiefs of staff, was also questioned Wednesday.

Prosecutors said they plan to question Mr. Lee's successor, Lee Jong Koo; the head of the Seoul office of General Dynamics; and Kim Jong Hwi, Mr. Roh's former security adviser, who allegedly was a middleman between Mr. Roh and General Dynamics.

Mr. Kim left for the United States when

the scandal broke in 1993, but reportedly is returning home soon.

In 1991, General Dynamics, based in Falls Church, Virginia, won the \$5.2 billion contract for 120 jets, South Korea's biggest single arms procurement project.

Mr. Roh's administration failed at the time to explain its sudden reversal, prompting persistent allegations of undue influence.

Chung Yong Hoo, who served as air force head under Mr. Roh, has said he was confined in a military hospital and forced to retire after he insisted on the F/A-18s.

Thirty-two government and military officials were punished for corruption when Seoul first investigated the scandal in 1993, but the government inquiry found no wrongdoing on the part of Mr. Roh or General Dynamics.

Now opposition legislators have brought out fresh allegations that Mr. Roh collected as much as \$100 million to \$150 million in kickbacks from General Dynamics.

The suspicion that Mr. Roh deposited the alleged kickbacks in foreign and other secret bank accounts arose after his daughter, Roh So Young, and her husband were convicted in a U.S. federal court in 1993 for violating currency laws.

They were given suspended one-year sentences for bringing nearly \$200,000 in cash into the United States and depositing it in 11 banks in California in 1990 during Mr. Roh's presidency. (AP, AFP)

Seoul Party Changes Name

Reuters

SEOUL — The governing party of President Kim Young Sam changed its name on Wednesday, signaling a desire to break with a corrupt past after the arrest and detention of two former heads of state.

The Democratic Liberal Party will now be known as the New Korea Party, a party statement said.

A party Central Executive Council meeting Wednesday picked the new title, which will be formally approved at the party's national convention in January.

Ex-Japan Minister Arrested for Graft A Scandal Over Loans

Reuters

TOKYO — Japanese prosecutors on Wednesday arrested a former minister of labor, Toshio Yamaguchi, on suspicion of playing a key role in a scandal over illegal loans involving two failed financial institutions.

Prosecutors say they believe the 55-year-old member of Parliament used his political influence to arrange a loan of 2.7 billion yen (\$27 million) by two failed credit unions to a golf course management company run by his sister in 1994.

He is said to have arranged the loans even though the company did not have enough collateral for a loan of that size.

"Yamaguchi, the suspect, played a leading role in the illegal loan scandal," Deputy Chief Prosecutor Tatsuo Kaimoto said after arresting Mr. Yamaguchi.

Despite adamant denials of involvement in the scandal, Mr. Yamaguchi resigned in February as deputy chief of the New Frontier Party, the main opposition group. He later left the party and is now an independent member of Parliament.



Toshio Yamaguchi, left, being driven to jail on Wednesday in a Tokyo police car.

Japan Group's Ad in U.S. Paper Would Revise WWII

The Associated Press

TOKYO — A Japanese conservative group said Wednesday it intended to run an advertisement in The New York Times on Thursday, the anniversary of Japan's attack on Pearl Harbor, denying that the nation was at fault in World War II.

A full-page ad, placed by the Youth Liberal Party, would state that Japan's bombing of Pearl Harbor on Dec. 7, 1941, was not a "sneak" attack, and that the 1937 Rape of Nanking by Japanese troops in China did not take place, members of the party said.

"We are running the ad as part of our efforts to restore the pride of the Japanese people," said the group's leader, Shinji

Saito. He added the ad cost 6.2 million yen (\$61,000).

Robert P. Smith, manager of the New York Times department that passes on the acceptability of prospective advertisements, said he could not comment on whether The Times had been approached by the Japanese group or whether The Times would publish it. He said it was the newspaper's policy to keep a strict separation between advertising and news. Just as the news department was shielded from advertisers' interference, so were advertisers guaranteed confidentiality, Mr. Smith said.

The Youth Liberal Party was formed in March 1994 and claims 100,000 members across Japan. The group has one member in Parliament.

The proposed text of the ad, under a headline that reads, "Dear American Friends," describes the Pearl Harbor attack as the result of a misunderstanding and bungling by Japanese diplomats.

It features a photo of a Japanese aircraft carrier flying a battle flag as it approached Hawaii for the attack. Photos also are used as evidence that there were no atrocities during the Rape of Nanking. Pictures of Chinese speaking with Japanese soldiers are meant to prove that the two sides got along well. Chinese historians say that as many as 300,000 Chinese were butchered by Japanese soldiers.

Hong Kong Reassured By Chinese

Agence France-Presse

HONG KONG — China offered new assurances on Wednesday that no shadow government will be set up in Hong Kong before the handover of the territory in 1997.

Zhou Nan, head of Xinhua news agency, which is China's de facto government representative in Hong Kong, said in Beijing on Wednesday that China's Preparatory Committee on Hong Kong, to be set up early next year, "will not act as a second power center."

It will "handle only matters concerning Hong Kong after 1997," he said. Hong Kong returns to Chinese sovereignty in July 1997 after 150 years of British rule.

On Monday, Xu Ze, head of the political affairs department of China's Hong Kong and Macao Affairs Office, offered similar assurances.

He said that the preparatory committee and the administration of the territory were two "totally different things," which could exist without hampering each other's work.

China has already declared that three-tier government in Hong Kong will be abolished, apparently in retaliation for recent electoral changes.

Tamil Guerrillas Reject Amnesty

Liberation Tigers of Tamil Eelam to lay down arms and end violence," Mrs. Kumaraatunga said in a televised address to the nation. "The government will offer you an amnesty and your safety."

She made the offer a day after the armed forces raised the Sri Lankan flag above Jaffna, officially ending nearly a decade of control there by the rebels.

Deputy Defense Minister Amurudha Ratnayake admitted that the civil war was not over despite the army's success in Jaffna, a campaign that cost 2,500 lives.

"This is not the end of the war," the official said.

The war which has gone on since 1983, and according to the government, has taken more than 50,000 lives.

"We transformed our peace program into a battle for peace only in order to defeat attacks against peace," the president said. "The government is asking Tamils to live under the Sinhalese military domination, under the military subjugation."

"I don't think Tamils with dignity will wish to live under military occupation, losing their aspirations for the survival of Tamils as distinct people," he said.

Mrs. Kumaraatunga offered an amnesty Wednesday to Tamil Tiger cadres if they would disarm. She appealed to displaced minority Tamils, who make up about 17 percent of Sri Lanka's population, to return to their homes.

"I invite all members of the

BRIEFLY

Indian Strains U.S. Ties

NEW DELHI — An Indian cabinet minister's charge that the United States has "evil designs" in Kashmir has added to strains in relations that had been warming, diplomats said Wednesday.

At issue was a statement to Parliament by Home Minister Shankarao Chavan on Monday that Washington was fomenting trouble in the northern state of Jammu and that Kashmir was the latest example. "The disturbing part is Chavan got a standing ovation," a Western diplomat said.

Mr. Chavan, a nationalist who is regarded as being close to rightist Hindu groups, has previously accused Washington and the Central Intelligence Agency of interfering in India's affairs, a charge played down by the Foreign Ministry. The new accusation about Jammu and Kashmir was dismissed by the U.S. Embassy.

(Reuters)

negative and exaggerated reports were giving the two-year-old government a "bad reputation."

The statement said critics — including the press, nongovernmental organizations and international organizations — were spreading "stereotyped" and "inaccurate" information about Cambodia.

Justice was demanded for the government and the Cambodian people. "It's easy to criticize, to report, to give opinions, but it is very difficult when you build or you implement efforts to get results," said the unsigned statement.

The government has taken a beating in the international press in recent weeks for what foreign observers, including such organizations as Amnesty International and Human Rights Watch, describe as a deteriorating human rights situation here. (AP)

For the Record

Japanese Discuss Arms

TOKYO — Japanese ministers began considering Wednesday a defense program for the coming five years, including the deployment of FSX fighter planes developed with the United States. The prototype of the FSX, which is an improved version of the F-16 produced by McDonnell Douglas Corp. of the United States, was completed in October and is undergoing test flights.

The Nihon Keizai Shimbun reported that the defense agency wanted to deploy 60 FSX fighters as well as four long-range transport planes capable of in-flight refueling and two transport vessels.

Officials are also seeking 90 advanced tanks, an improved anti-submarine helicopter, five submarines, an upgraded rescue plane and new surface-to-air missiles, the newspaper reported. (AP)

Cambodia Rebutts Critics

PHNOM PENH — The Cambodian government lashed out at its critics Wednesday, making public a five-page statement that said

Fidel V. Ramos, president of the Philippines, or the Association of South East Asian Nations, which will meet next week in Bangkok. "ASEAN is the cornerstone of our regional cooperation policy which helped give our region political stability and a rate of economic growth virtually without parallel elsewhere in the world."

(AP)

Fidel Castro, president of Cuba, quoted in the Shenzhen Special Zone Daily, a Chinese government paper, on the free-market zone: "Shenzhen has created a miracle unmatched in any other place in the world." (Reuters)

"You do not need to continue any more with the sacrifices you have made with the blood and lives of your children," she continued. "I invite you in all sincerity to rise up once again as a proud people living within a free democratic and united Sri Lanka."

The government flag-raising ceremony capped a government offensive begun Oct. 17. It was the army's biggest assault in 12 years of war.

Analysts say the fall of Jaffna, while a military success, marks the beginning of a logistics nightmare for the government in building a city infrastructure from scratch and winning the allegiance of frightened refugees.

It may also set off guerrilla attacks elsewhere in the country, they said. (Reuters, AFP)

INTERNATIONAL RECRUITMENT

You will find below a selection of employment offers published in last Monday's International Herald Tribune. For a copy of last Monday's paper, please call Fred Ronan on Paris (1) 41 43 91

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THURSDAY, DECEMBER 7, 1995

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**French Economic Surgery**

Like the Republican Congress in Washington, the French government has proposed huge spending cuts to reduce the federal deficit. Only Paris would accomplish its surgery over about two years, rather than the seven the Republicans plan.

Little wonder, then, that France's public employees have gone on strike, crippling Paris for almost two weeks by shutting down mass transit and reducing telephone and mail service. On Tuesday, thousands of workers marched through the city in an effort to force the government to back down.

French citizens, who have tried to get on with business, are unhappy that the government they elected to energize the economy and generate more jobs has adopted policies that in the near term are likely to produce just the opposite.

But the truth is that French voters brought fiscal austerity upon themselves when they decided in 1992 to drop the franc and adopt a single European currency. European Union rules stipulate that countries that adopt the single currency must bring their monetary and fiscal policies under tight control — for example, reducing their deficits below 3 percent of gross domestic product by 1998. France's deficit is now above 5 percent.

Prime Minister Alain Juppé proposes to meet the deficit target by raising taxes, reducing France's high welfare benefits and lengthening the number of years public employees must work before becoming eligible for retirement benefits. Over the long term, France would need to adopt such measures to control its deficit.

and to attack unemployment, which hovers around 11 percent.

America has no particular stake in how quickly France deals with its deficit, or even whether the franc survives. America's interest is a prosperous France and a prosperous Europe, and the best way to assure that is to knock down trade and investment barriers, which the European Union is already doing. That does not require a single currency.

A common currency does have political appeal. France has long maintained that the best way to keep Germany tied to Western Europe is to embed it in European institutions, including a European currency that would also replace the German mark. But a common currency also comes with a high price: lost control over monetary and fiscal policy that could otherwise be used to fend off recession.

The dislocation in France may give other countries pause about a common currency. European Union rules stipulate that countries that adopt the single currency must bring their monetary and fiscal policies under tight control — for example, reducing their deficits below 3 percent of gross domestic product by 1998. France's deficit is now above 5 percent.

Neither President Clinton nor Senator Dole is exactly noted for the pain of reaching their goal. But the troubles in France and new doubts about a single currency need not unravel the vision of a united Europe. The most important steps are already being taken, and can continue, whatever France and other nations ultimately conclude about their tolerance for the pain of one currency.

—THE NEW YORK TIMES.

Don't Cry for UNIDO

One of the little UN agencies no one but the bureaucrats and the beneficiaries knows much about appears to be doomed. But let the tears be brief. The United Nations Industrial Development Organization was born in the 1960s. First question: Why? Did not the United Nations already funnel help through the well-endowed World Bank and International Monetary Fund and other sources? Yes, but the big banks were controlled by the industrialized countries that financed them. The Third World — or, as many of its members called themselves, the non-aligned nations — wanted institutions of their own.

Thus was born an organization (now with a staff near 1,000 and a budget near \$200 million) in a pleasant, industrially developed place (Vienna) that was destined to gain a reputation for lacking both strong self-discipline and effective international oversight. Even an arguably redundant and self-indulgent agency no doubt sprinkled some useful expert advice around here and there. But UNIDO became best known as a problem agency providing high-paying jobs yet making no substantial or distinctive contribution to its dedicated goals.

As the times changed and others began

to look more critically at the international agencies, UNIDO inevitably came up for review. UNIDO's founding ideology, based essentially on a call for redistribution of world resources, weakened in the 1970s and was overtaken by the spread of free-market thinking in the 1980s. In many quarters, it was identified not as an instrument of economic reform but as itself a target of institutional reform. This took place not just in an American Congress souring on foreign aid and the United Nations — even Canada dropped out.

The newly announced American decision to withdraw from UNIDO marks the end, although reformers within the agency hope otherwise. An American government under stern congressional pressure no longer undertakes to pay its dues or its arrears. The default on arrears is troubling in its own right.

It says something about UNIDO's perceived place, however, that 95 other members have yet to pay their dues this year; 13 paid in part and only 56 paid in full. The modernizing of the international machinery is a constant requirement. It is a hard but necessary way to focus limited resources and to ensure not only greater service but greater public support as well.

—THE WASHINGTON POST.

Guns No One Needs

Ever since Congress voted in 1994 to ban certain assault-style weapons and guns with high-capacity magazines, there's been a move among certain members to repeal the ban and return America to the days when you could stock up on firearms that have no great use other than to kill people. To hear it from this caucus, life without an assault weapon at the ready has been a dangerous time for the citizenry. But ask almost any group of law enforcement authorities — those who deal most directly with criminals — and the response is just the opposite: Assault weapons pose a serious threat to those officers on the front lines.

On the first anniversary the other day of the assault weapon murders of two FBI agents and a Washington police officer, a report issued by Handgun Control Inc. detailed the extent to which these firearms and accessories play a part in the killings of law enforcement authorities. It found that when makes and models of weapons could be identified, 36 percent of the shooting deaths of officers involved assault weapons or guns sold with magazines covered by the ban.

The National Rifle Association likes to argue that these weapons are not used with much frequency against authorities, which — even if it were true — is a great reason to have them in general circulation. But such weapons are disproportionately involved in these fatal shootings. Ask Police Chief Larry Soursby of Washington how he feels about allowing assault weapons on the market. He is a strong supporter of the ban — and little wonder. Whatever happened to those bumper stickers that say: "Support Your Local Police"?

Other Comment**Fried Chicken in India**

What is it about fast food and capital cities? Foreign businesses have for years been complaining about China's lack of due process, but it remained a somewhat academic debate until Beijing authorities reenacted on a long-term lease held by a local McDonald's. Dito for KFC in India, which has found itself the lightning rod for the opposition Bharatiya Janata Party's economic nationalism. One month ago, KFC's first Delhi outlet was closed after city inspectors discovered two flies in the kitchen.

But now an Indian court has overturned that decision, and KFC seems set to bring Colonel Sanders' popular brand of chicken to all parts of India.

This is welcome news indeed, less for KFC than for India itself. For it was clear from the start that the fight over KFC had nothing to do with standards of health and everything to do with politics.

—*Far Eastern Economic Review*

(Hong Kong)

Clinton's 'Mother Teresa' School of Foreign Policy

By Thomas L. Friedman

WASHINGTON — In the wake of President Bill Clinton's vigorous diplomatic efforts to bring the war in Bosnia to a close, his foreign policy is getting a second look, with a lot of analysts concluding about the Clinton foreign policy what Mark Twain once said of the music of Wagner: It's not as bad as it sounds.

In the midst of this revisionist mood, the journal Foreign Affairs will publish next month a provocative analysis by Michael Mandelbaum, who teaches at the Johns Hopkins School of Advanced International Studies and argues that the Clinton foreign policy really is as bad as it sounds.

His thesis is that the Clinton policy is congenitally flawed because it never identified U.S. national interests abroad after the Cold War, but instead tried to conduct foreign policy by "the standards of Mother Teresa," trying to "turn American foreign policy into a branch of social work."

Whereas previous U.S. administrations were preoccupied with the dangerous and powerful nations at the core of the international community — Russia, Japan, China and Germany — the Clinton team, he contends, preoccupied itself with re-

lieving suffering and oppression in nations on the periphery: Bosnia, Somalia and Haiti. In each case the administration's objective was not to pursue U.S. national interests — traditionally defined as those issues that could affect American lives — but rather to promote American values.

The problem the administration ran into in Somalia, Haiti and Bosnia, writes Mr. Mandelbaum, was that ending their misery required deep, costly engagements in their tangled internal politics. The Clintonites assumed, wrongly, he argues, that "they could take the political capital the public had furnished for 40 years to oppose the Soviets and put it to uses they deemed more virtuous." But when faced with the real costs of healing Somalia, Haiti and Bosnia, the administration found it didn't have the public's support, so it balked, leaving it with three fiascos.

After these initial disasters, the administration ended up using force in Haiti and Bosnia, but the motivation was not just social work, he says, but bolstering the administration's political standing.

"which was suffering from the failure to resolve these problems."

Both the Haiti and Bosnia interventions achieved a measure of success, but it was provisional and easily reversible in both cases. Because these interventions lacked the support of a majority of Americans, the administration could not stay in Haiti — and won't be able to stay in Bosnia — long enough to really get the job done and secure a stable new order.

The reason for that lack of support is because in neither Haiti nor Bosnia are vital U.S. national interests at stake, Mr. Mandelbaum argues.

"As in Haiti, the chief purpose of an American expeditionary force in Bosnia will be to leave as soon as possible, with as few casualties as possible, rather than to do whatever is necessary, for as long as necessary, to keep (or make) peace," he writes. In Haiti and Bosnia, he adds, the exit strategy is the mission. That is, the mission is to show up and leave, not to stay until the goals are fully achieved.

This argument is important because it reminds us of something we've forgotten: During the Cold War there was no distinction between international social work

and the national interest. Social work was nation-building and nation-building was the national interest. America engaged in nation-building — from the Marshall Plan in Europe to Vietnam — because it was deemed essential for halting the spread of communism, which could hurt us all.

By both accident and design, President Clinton is testing a new thesis: that after the Cold War he can pursue an ambitious social-work agenda abroad, even though it doesn't affect the nation's vital interests. That is why so many Americans feel ambivalent about Haiti and Bosnia: They want to do good works like Mother Teresa, but they won't sacrifice their blood without the threat of Stalin on the other side.

Mr. Clinton's gamble is that he can split the difference: get enough public support to do a little good, for enough time, to make a reasonable difference in a place that's not really that important.

If the price of the Clinton policy in Bosnia is just money, he has a chance to succeed. If it turns out to be blood, the underlying contradictions and public ambivalence will destroy his policy and possibly his presidency.

The New York Times.

Top Two Politicians Take a Principled Gamble on Bosnia

By E. J. Dionne Jr.

WASHINGTON — Perhaps we Americans are not so cynical about politics as to miss a remarkable development in the last week: The country's two leading politicians have both acted against their obvious political interests in pursuit of a policy that might not work, but has to be tried. That's what both President Bill Clinton and the Senate Republican leader, Bob Dole, have done on Bosnia.

Neither President Clinton nor Senator Dole is exactly noted for the pain of reaching their goal. But the troubles in France and new doubts about a single currency need not unravel the vision of a united Europe. The most important steps are already being taken, and can continue, whatever France and other nations ultimately conclude about their tolerance for the pain of one currency.

deaths. In any event, Mr. Clinton's new engagement with Bosnia probably won't gain him much among those who have long favored an assertion of American power there. They regard Mr. Clinton as a sellout who dragged his feet for years and is now complicit in carving up Bosnia and rewarding Serbian aggression.

On the other hand, all who wanted to stay out of Bosnia in the first place will attack yet another about-face. And Mr. Clinton is acutely aware that an earlier Democratic president committed to a large agenda of domestic reform found his presidency ruined by a commitment to a faraway foreign country. Bosnia and Vietnam are different, but Mr. Clinton's risk is not unlike Lyndon Johnson's.

The cynical camp also has its explanations for Mr. Dole's decision to support the president's mission. For one thing, Mr. Dole's support is highly qualified. He has been careful to assert that he is supporting American troops, not Mr. Clinton's policies. If the thing goes badly, Mr. Clinton will get most of the blame. In the meantime, his stance looks a lot more "presidential" than the caving of his Republican primary foes.

Mr. Dole also won exceptional political cover when his decision was supported by Senator John McCain, Republican of Arizona, a Full Gramm supporter, critic of intervention in Bosnia and Vietnam hero and prisoner of war.

But here again, cynicism explains either too much or too little. Mr. Dole has a long history of political consistency on Bosnia, and relates more to "high" than "low" politics. The widespread opposition to Mr. Clinton's Bosnia policy inside the Republican Party is not just the result of personal differences. Mr. Dole's decision was at least as tough as his attacks on Mr. Clinton's. Mr. Dole was manifestly uncomfortable with his initial bit of trimming after Mr. Clinton's Bosnia speech precisely because he knew where he would come out in the end. As Mr. McCain put it about Mr. Dole's decision: "From a purely political standpoint, it was probably difficult. From a philosophical standpoint, it was not as difficult as it looked."

Moreover, Mr. Dole has com-

pounded his own risks by insisting that the price of his support for Mr. Clinton will be efforts to arm the Bosnian government so it will eventually be able to defend itself.

In acting as he has on Bosnia,

Mr. Dole is not only taking a large short-term risk in the Republican primaries. He is also trying to keep alive his party's alternative tradition — associated with Mr. Dole's own hero, Dwight D. Eisenhower — of bipartisan support for American assertion abroad. Paradoxically, the survival of that tradition now rests heavily on Mr. Clinton's ability to pull off his Bosnia intervention. If Mr. Clinton's gamble fails, it is unlikely that anything remotely like this operation will happen again soon, let alone win bipartisan support.

It is thus far from automatic that a Clinton catastrophe in Bosnia will be good for Bob Dole, and that is the final problem with a purely cynical view of what Mr. Dole and Mr. Clinton have at stake here. Having taken comparable risks, these two politicians have a shared interest in being proven not foolhardy but courageous — and also right.

The Washington Post.

Beyond the Balkans: NATO Confronts Its Long-Term Challenges

By Frederick Bonnard

BUSSELS — As 1995 draws to a close, NATO faces its biggest challenges of the new era. Implementing peace in Bosnia is the immediate challenge, but enlarging the alliance will have the greater long-term effects.

Since the January 1994 decision to open the alliance, followed by this year's study, the process has moved ahead steadily. At Tuesday's meeting of the North Atlantic Council, NATO's foreign and defense ministers heard the reactions of candidate countries to their individual study briefings and decided on the next phase. The candidates, many now with reinforced credentials due to their participation in the peace implementation force, continue to request rapid decisions, and renewed pressure is being exerted by their supporters inside the alliance.

Although the commitment is firm, the overall aim must be maintained — stability in Europe depends in the final resort on a strong NATO.

Russian objections fall into two categories. To the simpler members of the Russian public, the new applicants seem merely to be changing sides, and consequently they see a military organization they have long considered their enemy growing larger and more powerful on their

threshold. But even for more sophisticated observers, the presence of former (and lesser) allies in the former communist countries. But the two basic problems have not gone away: radical opposition by Russia, and the danger to the cohesion and credibility of the alliance.

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Russian objections fall into two categories. To the simpler members of the Russian public, the new applicants seem merely to be changing sides, and consequently they see a military organization they have long considered their enemy growing larger and more powerful on their

more than 46 years, it has acquired only four new members, at well-spaced intervals. But the outreach to the east has been highly successful: 27 countries have signed up for the partnership for peace, 11 of which want to join the organization as full members.

Russian policymakers know they cannot stop this process, but they expect consideration in return for grudging acquiescence. Although NATO clearly cannot accept a veto on any of its decisions by a nonmember, a close cooperation relationship is being established that has been further encouraged by the recent agreement on Russian participation in the Bosnia operation. Objections to enlargement will continue, but provided the scope is limited, they will not be insurmountable.

The other obstacle is far greater: NATO cannot absorb a large number of new members without losing its character. In

more immediate terms, the national purpose, and so do the allied countries, whose Parliaments will have to ratify each accession.

However, the drive toward accession is generated not only by security requirements, but even more by the need to be accepted as true members of the Western democratic community. This urge will have to be satisfied by the alliance. Signs of steady progress will therefore have to be evident.

The choices now facing NATO are difficult and delicate. Politically, it would be comparatively easy to admit just one country. But the reaction of the others would be outrage and could have serious adverse effects. It would also be technically more difficult, as enlargement necessarily involves considerable changes to NATO's military structure.

Headquarters, as well as infrastructure assets such as air defenses, communications networks,

depots and so on, must be situated on the new territories. Such costly programs should therefore be a one-time exercise, covering a whole group of countries.

Nevertheless, collective accession should not be considered as a first step. Any new member will naturally have full co-decision rights and complete security cover. But acceptance of the first new member — for instance, the Czech Republic, probably the most qualified — could consist largely of political participation. The military aspect could be limited to personnel integration, without any infrastructure or relocation efforts.

At the same time, the next step, to take place a few years later, should also be prepared. This should be the accession of Poland and Hungary, accompanied by the extension of the military structure to all three. Internal disruption and the concomitant costs would thus be kept to a minimum.

The presentation of this plan as a whole would assuage possible wounded feelings, at least in the first group of countries. NATO would have to make clear to others that absorption takes time and that further expansion could not be considered in the near future.

This gradual approach would satisfy the demands of immediate candidates and reassure the others, without stimulating antagonism and suspicion in Russia. It would also ensure that NATO remains Europe's essential security guarantee.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1895: Paris Riot Bill**

PARIS — Who is to pay the bill? that is what the tradesmen whose shops were wrecked during the riots in the Latin Quarter, more than two years ago, are still asking in vain. The City says it is for the State to settle the account while the State tries to throw the responsibility on the City. The trouble all arose out of a bill held at the Moulin Rouge which outraged the common sense of propriety. In a moment the Latin Quarter was up in arms, the police made too conspicuous a display of authority and a revolution on a small scale broke out. When it was all over there was a bill for 33,000 fr.

In Peoria, by the way, after the UAW called off the Caterpillar strike, a company vice president named Wayne Zimmerman announced that the company would not necessarily be taking back the strikers, saying: "An immediate return to prestrike staffing of nearly a year and a half ago is simply not practical."

The Boeing strike began, to the surprise of both the company and union leaders, when workers voted down an agreement between their bosses and their leaders. What the workers saw was a pro-

Government was driven out of Erivan and the armed forces placed themselves at the disposal of the revolutionaries. "The eternal hate of Armenians and Mohammedans," the news agency proclaims, "has been turned into fraternal

OPINION/LETTERS



How Americans Royally Erred

WASHINGTON — In recent years, I've had a mounting suspicion that the United States blundered badly 200 years ago when it not only declared independence but also chose an austere republicanism that dispensed with the ceremonial functions of monarchy.

Independence was inevitable. But was it desirable to entrust the theater of politics to workaday politicians?

To admit this feels a bit strange. I recall wondering, when I was younger, why T. S. Eliot, the 20th century's greatest poet, found it useful to proclaim himself a "royalist in politics" as well as a classicist in literature.

I am not a royalist in the Eliot mold. But I can't help feeling that the American political system is now the worse for lacking an institutional outlet, apart from the presidency, for the urge to venerate. Wouldn't the system work better with an impartial head of state who, standing above party and ideology, could absorb and reflect the yearnings of the lonely crowd and disentangle the veneration of symbolic authority from practical issues of public policy?

If we still had a head of state to speak of family values (and embody them more convincingly than the politicians and pundits who speak of them so much), we could get on with the mundane work of democracy, such as balancing budgets.

Believing all this, I was unusually interested in E. J. Dionne's challenging piece "Forget Monarchs and Make

By Edwin M. Yoder Jr.

to render even the most sedate institutions ridiculous.

The frailties of the Prince and Princess of Wales are hardly new, and besides, the efficacy of great offices has never really demanded perfection of those who occupy them. Admirable in their ways, Charles and Diana are merely the most eminent victims of the new prudentialism that makes all private lives grist for frivolous and reckless exposure. Press prudence is as heedless as a burrowing mole under a golf green.

For that matter, none of the junior Windsors matches such predecessors as Henry VIII, Charles II, George IV or the Edwards VII and VIII for amorous scandal. The difference now is that we know about life behind the palace gates.

Speaking of the woes of the circle of Edward VII as Prince of Wales, Mrs. Patrick Campbell said, "I don't care what they do, so long as they don't do it in the street and frightened the horses." Today, thanks to publicity, the horses are very frightened.

People may differ about the role of the symbolic in democratic politics. What seems indisputable is that the "dignified functions" are essential to public confidence in authority.

Indeed, we may not have the luxury of choosing. Every form of institutional authority, royal and republican alike, is in trouble now, and it is conceivable that both constitutional monarchy and traditional republicanism will perish together of the impish iconoclasm of the age.

Washington Post Writers Group.

A Chinese 'Autonomous' Region Where Colonialism Lives

By Karl E. Meyer

NEW YORK — Alas, atlases no longer have blank spaces where lost worlds may yet lurk. But there are gray patches, notably in inner Asia, which have long been closed to visitors.

High on this list is what is grandly called the Xinjiang Uygur autonomous region in western China, a huge area roughly the size of Alaska, covering 600,000 square miles (1.6 million square kilometers).

Xinjiang (pronounced shin-jhang)

MEANWHILE

means New Territories, alluding to its 18th-century conquest, which doubled imperial China's size. It also meant incorporating a troublesome minority, the Uighurs (pronounced wee-gurs), a little-known group of Turkic-speaking Muslims. Because ethnic Chinese are a minority among Xinjiang's 13 million inhabitants, the region is officially designated as autonomous.

But a foreigner who spends two

weeks in the region quickly learns that autonomy has its limits. Granted, as official guides emphasize, many Uighur traditions are tolerated. Couples are legally permitted two rather than one child per family, the limit elsewhere in China. This is illustrative of an oft-heard saying, "The mountains are high and the emperor is far away."

Beijing is far away, but not forgetful. The Uighurs have periodically risen against Chinese rule. In 1985, angered by weapons tests in Xinjiang's deserts, they dared to mount China's first nuclear protests. Hence there is a persistent anxiety.

Now Beijing contends with two freshly disruptive developments, the rise of new Islamic republics in former Soviet Asia, populated by the Uighurs' kin, and a trickle of foreign visitors as Xinjiang opens to tourism and investors.

I was among 20 people on an arts-oriented Silk Road tour that stopped in

Kashgar, Khotan and other formerly inaccessible cities. The region's thriving commercial capital, Urumqi, once forbiddingly remote, now boasts an oil boom, two four-star hotels and train links to Alma-Ata in Kazakhstan. As old walls fall, ethnic dissonance can no longer be hidden.

In Kashgar, for example, our guides accurately noted that the city's 180,000 inhabitants were 96 percent Uighur. But when we were taken to a jade factory, to coax hard currency from our purses, there was a prominent poster in Chinese on the wall. It described a local riot in which dozens were injured protesting the arrest of a Muslim cleric. It promised that no charges would be brought against any workers who went to the police to acknowledge that they took part (and presumably inform on others).

At the train station near Turfan, nearly all signs were in Chinese characters, as was the posted schedule, not very helpful to the Uighur majority. But the most conspicuous evidence of central

rule was as plain as every clock face, since all China is bound by one time zone: Beijing's.

In Kashgar, thousands of miles from Beijing, the absurd result is the city is dark almost until noon. Hotel patrons rising at 8 A.M. find desk clerks fast asleep in lobby chairs. To get around this, Kashgar's 200,000 people, 90 percent of them Uighur, specify "local time" in making arrangements.

Doubtless a single time zone suits the convenience of the leadership in Beijing, as does its insistence that Uighurs learn Chinese. As guides always point out, Chinese rule has given Xinjiang roads, schools and factories.

But to an old hand, this has a familiar odor. Just those arguments were invariably invoked by Western colonialists, and the Soviets, to justify dominion over other remote peoples.

In China's Xinjiang Province, the ethos of colonialism past survives, like a relic in a museum bell jar.

The New York Times.

LETTERS TO THE EDITOR

A Place of Asylum

Regarding "Europeans Are Shutting the Door Ever Tighter on Asylum-Seekers" (Nov. 24):

How to handle immigration is indeed a serious preoccupation for European governments. However, the difficulty is not with asylum-seekers — people in need of protection — but with migrants seeking better economic opportunities.

It is because legal immigration is almost impossible that many would-be migrants are abusing asylum channels.

But in tightening rules on asylum to keep out such immigrants, European governments

risk putting genuine asylum-seekers in danger.

To cut back on illegal immigration, European governments should consider measures to liberalize legal migration — admittedly, a daring idea at this time of high unemployment.

The office of the UN High Commissioner for Refugees is also ready to cooperate with governments and other organizations on their handling of rejected asylum-seekers and thus help to ensure that those genuine asylum-seekers receive the international protection they need — and which governments are committed to provide.

In the past few years, hun-

dreds of thousands of refugees from the former Yugoslavia have found temporary protection in Europe. European governments should continue to demonstrate their dedication to the tradition of asylum.

JOHN HOREKENS,

Geneva.

The writer is the director of the regional bureau for Europe of the High Commissioner for Refugees.

Picking a NATO Chief

Regarding "Lubbers Veto Is Linked to Concern Over Balkan Force" (Nov. 18):

In the past few years, hun-

drags, but will not get, is freedom from political interference by the United States.

R. BRUCE STEDMAN.

Wiscasset, Maine.

Frankly Superior

Contrary to the complaints by one of your readers ("A Mouthful of English Mush," Letters, Nov. 21), I do not believe for one moment that being a native English speaker gives me a sense of moral superiority — it is more probably the fact that I speak near-perfect French.

GRAHAM NASH.

Cachan, France.

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INTERNATIONAL

Will Europe Follow The German Map?

Bonn Focuses on the East

By Alan Friedman
International Herald Tribune

BONN — When German leaders think about the future these days, more often than not they think east. Whether it is in business or in foreign policy, the new, reunified Germany has numerous reasons to be interested in the former Communist countries, and especially in neighbors such as Poland, the Czech and Slovak republics, and Hungary.

German companies and banks have, in fact, invested more in the countries of the former Communist east than those of any other European nation. Not all the investments have worked out well, and following an initial push after German reunification there is now a more sober attitude among German entrepreneurs. There remains, however, a recognition that looking eastward is good business, and in political terms common sense.

"We need them," said Jürgen Grossmann, the owner and chief executive of Georgsmarienhütte, a medium-sized steelmaker in Lower Saxony. "as allies, as markets, and as suppliers."

The relationship between Germany and its eastern neighbors is by no means new; commercial ties go back to the 13th and 14th century when merchants from the Hanseatic League traveled down the Volga in search of trade.

But the joining of the eastern states of the old German Democratic Republic to the west in 1990 has spawned intensive new interest in the region. And when the capital of reunified Germany is moved in a few years from Bonn to Berlin, Germany's entire center of gravity will effectively shift eastward.

Reinhard Joachim, a member of the Bundesbank's council and president of the state central bank in Düsseldorf, said in an interview that he could easily foresee "a new pattern of intra-regional economies forming between Germany and areas such as Poland, the Czech Republic, the Baltic states and Hungary."

The motion received majority sup-



Members of an anti-aircraft defense regiment listening to the Bundestag debate on Wednesday. Up to 4,000 personnel will join the NATO mission.

Bundestag Gives Solid Backing to Germany's Balkan Role

Compiled by Our Staff From Dispatches

BONN — The lower house of Parliament voted overwhelmingly on Wednesday to send troops to take part in the NATO-led Bosnian peacekeeping operation, the latest step in Germany's gradual acceptance of an international military role.

A government motion calling for 4,000 transport, medical and logistics specialists as well as Tornado fighter bombers to join the NATO mission received the support of 543 deputies in the Bundestag. There were 107 votes against and 6 abstentions.

The vote was the biggest endorsement yet of Chancellor Helmut Kohl's bid to induce unified Germany to drop the military restraint spawned by World War II and accept bigger responsibilities in multinational military operations.

The motion received majority sup-

port from the opposition Social Democrats, a party with pacifist leanings whose members only six months ago mostly opposed the deployment of German Tornados over Bosnia to back United Nations peacekeepers.

That operation marked the first time Germany sent its troops on a foreign combat mission since World War II.

Public opinion already had been prepared for the move: Mr. Kohl had sent German logistics units to assist UN peacekeeping in Somalia, German ships to police the arms embargo against former Yugoslavia and German airmen to enforce a UN "no flight" zone over Bosnia.

"This is a signal to Europe and the world: Germany is accepting responsibility," Foreign Minister Klaus Kinkel told Parliament during Wednesday's debate.

Mr. Kohl added: "Not to help now

would, for all of us in Europe, ultimately carry greater dangers than to help together."

Despite the growth in support for armed intervention, Bonn's share of the 60,000-strong force is still relatively modest. There are already 500 German troops running a field hospital in Split, Croatia, and several hundred technical staff supporting the Tornados at their base in Piacenza, Italy.

They will now be joined by logistics specialists whose principal task will be to rebuild damaged roads and bridges and to ferry supplies from the Croatian coast to a British contingent stationed in Gornji Vakuf.

About 400 paratroopers and mountain infantry will provide armed protection, but German troops will not be involved in enforcing separation lines between the conflict parties.

Nearly all the Germans will be

based in Croatia, to avoid direct contact with Bosnian Serbs who view Germans with suspicion because of the Nazis' brutal suppression of Serbian partisans in World War II.

NATO's German-based Allied Command Europe Rapid Reaction Corps, which will run the peace implementation mission, said the first two Germans on its staff would fly to Sarajevo on Thursday. The main contingents are moving around Dec. 20.

The Social Democratic Party, under its new leader, Oskar Lafontaine, made clear that it still rejected the use of German Tornados, equipped to seek and destroy Serbian anti-aircraft systems, but that it would not let this prevent it from approving the overall mission.

The debate took a toll on the environmental Greens party, which grew out of the peace movement of the

1960s and 1970s, and whose recent party conference produced a vote to reject any use of military force abroad. But at a last-minute meeting of the Greens' parliamentary group, 26 of 49 deputies said they would still vote for the deployment.

Some pacifists who remained opposed to the mission cited Germany's militarist past. Elisabeth Altman, a Green lawmaker who was born in 1943, said she had spent her "first years for the most part in air raid shelters" as Allied bombs fell on her city during World War II. She said that because of history, Germany lacked the moral right to send troops into possible combat in other countries.

"My son Franz told me the worst thing for him would be if he were a soldier and had to kill another young man," Mrs. Altman said.

(Reuters, AP)

GERMANY: Worried That U.S. Might Not Always Respond, Bonn Moves to Shoulder Europe's Post-2000 Military Burden

Continued from Page 1

shoulders these responsibilities, Germany will need to abandon its old system of subordinating its armies to NATO and reinstate some form of national command, according to U.S. and German officials.

By reflex, Bonn favors multilateral formulas, so most German troops are in divisions teamed with allied divisions to form multinational corps.

Perhaps more significantly, Bonn has recently devoted its prime resources to forging a 50,000-man crisis reaction force, an all-volunteer division equipped with advanced weapons and support and designed for combat missions outside Europe. In future crises,

it would enable Germany to match France or Britain in troop contributions instead of resorting to the checkbook diplomacy Bonn used to favor.

In the four years since a reunited Germany offended its partners by ramrodding through the international recognition of Croatia, the Kohl team has become more subtle in using the levers of military power to achieve German political goals. For example, Chancellor Helmut Kohl recently inspected a Dutch-German military force, adding the personal touch to a campaign by Bonn to allay persistent Dutch apprehensions about the power of reunified Germany.

Germany's vision is being advanced with patience, and nowhere is this more evident

than in its vanishing inhibitions about promoting arms manufacturers as it pushes to place Daimler-Benz Aerospace AG, formerly Deutsche Aerospace AG, into the forefront of the world's military contractors. It is an uphill task for a latecomer, but executives at the company's headquarters outside Munich said their ambitions remained firm.

As industry experts and officials explain it, Germany has what amounts to an industrial strategy aimed at building up German-led European arms-makers on a scale that will enable them to compete with their megavarians in the United States. Daimler is pursuing a strategy of mergers in an effort to put Germany in the forefront of European activities in airliners, warplanes and civilian

and military satellites. The primary focus of its strategy is French-German cooperation.

This industrial strategy is to be unveiled this week at the French-German summit meeting, but now liable to be curtailed because of the social turbulence in France. A major feature of it is Mr. Kohl's decision to turn billions of Deutsche marks into a French-led program for all-weather spy satellites of the sort that only the United States and Russia have deployed until now.

German backing for the satellites is a prelude to the birth of two defense companies formed by merging the satellite divisions and missile divisions of Daimler and Aérospatiale, the state-owned French company. That part of the deal will be kept on the

backburner now in order not to fuel France's social revolt.

But Bonn and Paris seem determined to go their own way, investing in the equipment that their armies must have, rather than buying elsewhere. And German companies enjoy at least one advantage: because they are investing in new technology — for example, to build the wings of a European cargo plane — they have a headstart on rivals who are still trying to amortize their older technology. Germany's edge may oblige its neighbors to follow or risk losing out.

NEXT: German capitalism faces the future.

FRANCE: Striking Unions Rebuff Juppé Offer

Continued from Page 1

commuters who normally depend on public transit.

The strike spread among public workers with a teachers' walkout Tuesday. But the call has only been partly followed in the various public services, and largely ignored by private sector workers.

Mr. Juppé came under fire Wednesday from one of the country's top political barons.

The attack, by former Interior Minister Charles Pasqua, a popular heavyweight of the Republic Party, called for a change of policy.

Mr. Pasqua, who supported former Prime Minister Edouard Balladur against Jacques Chirac in last May's presidential elections, was making his first public statement on government policy since the election.

He appeared to be positioning himself for a top government post after another potential candidate for prime minister, the speaker of the National Assembly, Philippe Séguin, visited striking railroad workers in his stronghold of Espanyol over the weekend and expressed his sympathy for their cause. (AP, AFP, Reuters)

YANKS: Clinton Presses Effort to Win Congressional Backing for Bosnia Peace Mission

Continued from Page 1

working with another key Republican figure, Senator John McCain of Arizona, to draw up a resolution supporting the deployment.

"It's a very difficult set of negotiations," Mr. McCain said. "There are people who want to make it clear that the Congress was not consulted."

The result, it appeared, was most likely to be a grudging statement of support with many provisos, perhaps including an attempt to guarantee that the United States will strengthen

the Bosnian military in order to improve the regional balance of forces.

Senator McCain told Mr. Perry and the other officials that Senate support would collapse if the administration did not make a clearer pledge to bolster the Bosnians' defense capabilities.

But that pledge, too, may face obstacles, as others in Congress have expressed fears that conspicuous U.S. assistance to the Bosnian forces would incur the anger of Bosnian Serb fighters.

A small force of U.S. troops

has already entered Bosnia to prepare the way for the larger force.

While Mr. Clinton wants the support of Congress for the undertaking, he has the authority as commander in chief to proceed on his own.

The support of two former Republican presidents could give him an important boost.

George Bush and Gerald R. Ford said separately Tuesday that U.S. credibility and continued leadership required it to see through its commitment to peace enforcement in Bosnia.

Mr. Bush said in a statement

that it was clearly "in our national interest to maintain the integrity of the United States' credibility in the world."

"If the president shifts direction now — or if it is seen that the president does not have the support of the Congress — our standing as leader of the free world and the standing of NATO would be dramatically diminished," he said. "That must not happen."

Mr. Ford, in a letter to Senator Dole, argued that "to undercut America's course of action at this juncture would do enormous damage to U.S. leadership in the eyes of the whole world."

The day before, another former president, Jimmy Carter, said that Mr. Clinton had little choice but to send troops.

He warned, however, that they must never "withdraw in disgrace."

Three of Mr. Clinton's key spokesmen on Bosnia policy — Secretary Perry, an assistant secretary of state, Richard C. Holbrooke, and the chairman of the Joint Chiefs of Staff, General John M. Shalikashvili — testified Wednesday before skeptical members of the Senate Armed Services Committee.

France to End Tests in 3 Months

Reuters

PARIS — France said Wednesday it would complete its nuclear tests in the South Pacific before the end of February, three months ahead of schedule.

The final series of French nuclear tests will end before the end of February 1996, long before the date initially announced of May 31, 1996," Defense Minister Charles Millon told the Senate.

"It's very exciting," said Dr. Bruce Walker, who is director of the AIDS research center at the Massachusetts General Hospital in Boston, and now director of the new Institute for Human Virology at the University of Maryland, had a similar result.

French commandos off Murray Atoll on Sept. 1, four days before the first in the series of French nuclear tests.

The Rainbow Warrior had breached an exclusion zone. France justified the Greenpeace seizure because its helicopter had entered a forbidden zone.

"We will appeal this all the

AIDS: Natural Substances Said to Stop HIV Virus

Continued from Page 1

people should be wary of assuming that the substances will be useful as a treatment. More than a decade of experience with AIDS has taught him, he said, that many things that look great in the test tube, "never make it to the major league."

"It's a triumph of science," said Dr. Reinhard Kurth, president of the Paul Ehrlich Institute in Langen, Germany, realized he had competition.

He learned that Dr. Robert C. Gallo, formerly of the National Cancer Institute in Bethesda, Maryland, and now director of the new Institute for Human Virology at the University of Maryland, had a similar result.

And Dr. Gallo's paper, scheduled to be published in the Dec. 15 issue of the journal Science, was made public Wednesday evening to share the spotlight with Dr. Kurth's paper.

Yet at the same time as the discoveries are creating a buzz among researchers, they reveal, once again, the intense rivalries in this difficult field and the

extraordinary complexity of AIDS research.

One of the papers was rushed into print as a letter to the editor rather than a full article in Nature, a British science journal, when its author, Dr. Reinhard Kurth, president of the Paul Ehrlich Institute in Langen, Germany, realized he had competition.

Dr. Kurth and his colleagues report, from studies of African green monkeys, that the white blood cells produce a hormone, interleukin 16, that stops the AIDS virus. He adds that human cells produce a nearly identical hormone.

Several AIDS researchers said they were betting on Dr. Gallo's chemokines because his paper documents their effects fully and because they are active at much lower concentrations than interleukin 16. But others say that both Dr. Kurth and Dr. Gallo might be correct and that there might be two types of natural substances that inhibit HIV.

MARINES: Land On Wall St.

Continued from Page 1

they spoke — took longer to catch up.

General Hearney, the Marine Corps assistant commandant, acknowledged that he and his Pentagon colleagues usually did not shout.

"I would hope we don't have to yell like that to get attention," he said.

There were no women in the exercise, a measure of the male-centered environment of both Marine officers and traders. That was about all they had in common. The Marines were much older, with shorter haircuts and no fashion excesses, even though they seemed to enjoy the difference.

After two hours, many of the Marines were still far from any chance of profit on their fictional trades.

But the traders saw potential. "Every one of them is getting better and better," Mr. Coakley said.

HEALTH / SCIENCE

Ulcer Agent and Cancer Bacterium Gene May Attack Stomach

By Warren E. Leary
New York Times Service

WASHINGTON — Some bacteria that cause ulcers and intestinal inflammation have a gene that can cause a breakdown of the stomach lining that in turn increases the risk of cancer, researchers said.

The bacterium, *Helicobacter pylori*, is known to be an important cause of stomach ulcers around the world and has previously been linked to certain relatively rare stomach cancers. But because the bacterium is present in many people who never develop cancer, scientists have wondered what role it may play in the disease.

In a report published Wednesday in the *Journal of the National Cancer Institute*, Dutch and American researchers said a study of gastric biopsy specimens taken an average of 11½ years apart from 58 patients indicated that the presence of certain strains of *H. pylori* increased the risk of severe inflammation and precancerous changes in the gastrointestinal system.

Dr. Ernst J. Kuipers and colleagues at Free University Hospital in Amsterdam and Dr. Martin J. Blaser and co-workers at Vanderbilt University in Nashville, found that strains of *H. pylori* strongly associated with cancer risk possessed a gene called *cagA*.

Dr. Kuipers said in a telephone interview that at the beginning of the study period, 33 percent of the patients with *cagA*-type *H. pylori* had moderate to severe disruption of the stomach lining, compared with 18 percent of patients with the non-*cagA* variety.

When tissue from the patients was examined 11½ years later, the report said, 62 percent of those with the *cagA*-type bacteria had moderate to severe lining destruction, compared with 32 percent of those with non-*cagA* bacteria.

In people with severe breakdown of the stomach lining, Dr. Kuipers said, about 10 percent may go on to develop stomach cancer after 10 years.

Blaser said in an interview that 60 percent of the strains of *H. pylori* found in the United States have the *cagA* gene.

The prevalence of *H. pylori*, believed to spread by contact between people, has declined in the United States in recent decades, as has the incidence of stomach cancer, he said.

Studies indicate the prevalence of *H. pylori*, which persists in the stomach for a lifetime, is about 10 percent in healthy people under age 30, rising to 60 percent in people over age 60.

However, if this many people are infected with *H. pylori* and so much of that infection is with the suspect *cagA* strains, how do researchers explain that the incidence of stomach cancer has declined by 60 percent in the United States over the last 30 years?

"We know from examining diseases such as tuberculosis that a lot more people are infected with the bacteria than become ill," Dr. Blaser said. "so there are obviously other factors involved."

Among those variables, he said, were differences among the bacterial strains and those who got infected, factors like diet, smoking or other infections, and how old people were when they got infected.



Dr. Mark D. Shulman, who has applied his weather expertise to many lawsuits and trials, at his home in Woodstock, New York.

From Clinical to Cultural Psychiatrists Take a New Approach

By Daniel Goleman
New York Times Service

NEW YORK — The patient seemed psychotic, complaining in a listless ramble. "My soul is not with me anymore — I can't do anything." Seriously disturbed, she had been taken to a psychiatric hospital by her relatives.

The psychiatrist who interviewed the woman discovered the problem had begun when she got bad news from her native Ecuador: An uncle she was close to had died unexpectedly.

"I realized that her clinical picture fit a syndrome known in Latin American cultures as *susto*, or loss of the soul," said Dr. Juan Mezzich, a psychiatrist at the Mount Sinai School of Medicine in Manhattan, who treated the woman. "In facing the tragic news, the soul of the patient departs with the dead person, leaving the person soulless. In our psychiatric terms, we would say she was depressed."

Dr. Mezzich is at the forefront of a new movement in psychiatry to recognize the cultural trappings that patients bring with them, and to shape diagnosis and treatment accordingly. In the last five years the movement, which comes at a time when an increasing proportion of psychiatric patients in America come from an array of cultures, has led to a growing stream of books and scholarly articles on cultural influences in mental health. Virtually every professional convention for psychotherapists now offers a workshop on how culture affects psychiatric problems.

Last month The American Journal of Psychiatry published guidelines for psychiatric evaluation that for the first time explicitly recommended that a patient's cultural or ethnic background be considered, including how the patient understands the illness.

For example, the woman from Ecuador was at first misdiagnosed as psychotic by another psychiatrist. But Dr. Mezzich, who is from Peru, not only knew about the *susto* syndrome but also devised a treatment for her that drew upon his understanding of her background.

"Instead of just giving her antidepressants, I tried an approach based on Hispanic culture," he said. "There, for *susto*, you would expect to have a mourning ritual to help the person assimilate the loss. So, with her family, we organized a sort of wake where everyone talked about the loss of her uncle and what it meant to them."

The wake "was quite powerful for her," Dr. Mezzich said. "She didn't need any antidepressants, and within a few meetings, including two with her family, her symptoms lifted and she was back participating fully in life once again."

THE stamp of culture on mental disorders extends to America, Dr. Kleinman asserts. He contends that there are psychiatric syndromes unique to Western industrialized societies. "Anorexia nervosa seems as culture-bound to America and similar industrialized cultures as *susto* is to Malaysia," Dr. Kleinman said.

Dr. Spero Manson, a medical anthropologist in the psychiatry department at the University of Colorado Health Science Center and a Chippewa, said: "There is simply no such thing as anorexia among native peoples in North America. The overconcern with body stereotypes isn't relevant in Indian cultures — the grave concern with slenderness is itself seen as absurd. Native people would be very concerned about a person who was willfully wasting away, but you just don't find it, except perhaps among highly acculturated Indians."

Dr. Kleinman says that although exotic disorders exist, most mental health workers will not confront them directly, but rather will have to deal with differences in how patients describe or experience universal problems like depression.

"You need to understand the idiom of distress — how a person talks about his problem," Dr. Kleinman said.

BRIDGE

By Alan Truscott

ONE of the world's best partnerships added to its large collection of titles at the American Contract Bridge League's Fall Nationals. David Berkowitz and Larry Cohen won the Blue Ribbon Pairs, their sixth national victory together. Berkowitz celebrated his birthday by winning the event for the second time.

The bidding was the sort of battle that typically occurs when each side has a fit and the vulnerability is favorable for the side with fewer high cards. Three no-trump and four hearts would have been interesting contracts, and were often made at other tables. But North-South saved in four spades, knowing that a three-trick defeat for a loss of 500 would be profitable but a four-trick defeat for 800 would be a disaster.

Cohen introduced a subtle four-diamond bid, to suggest a lead against four hearts or four no-trump, and became the declarer in four spades doubled. A club was led to the queen, and East cashed another club winner. He then played the ace and another diamond in the hope of giving his partner a ruff.

Cohen seized the opportunity

to win in his hand, ruffed a club in dummy, and played the ace and another spade. West had to lead a heart, and Cohen played low from dummy, escaping for 500 and getting 20 match points out of a possible 25.

There was a way for the defense to score 800, and earn a top, but it was virtually impossible to find at the table. To avoid the endplay, East would have had to shift to a trump at the second trick and later maneuver to give his partner a diamond ruff.

It has been analyzed as an allegory of Darwinian evolution, reduced to a series of mathematical puzzles and debunks as a parable about the ordeal of birth. Freudians have interpreted it as a quest for sexual gratification, logicians have unraveled it as a sequence of arcane riddles and religious scholars have read it as a parody of doctrinal controversies.

To the critic Roger Sale, "Wonderland" is a "sharp, jabbing, nasty" book which suggests that life is a "succession of follies and errors." And to the writer Humphrey Carpenter, it remains an "exploration of violence, death and Nothingness," a book conceived as "a mockery of Christian belief."

In his new biography of Charles Lutwidge Dodgson (a/k/a Lewis Carroll), Morton

NORTH	EAST
♦ K Q 2	♦ A 9 8
♦ Q 10 7 6 5	♦ A 9 8
♦ 8 6	♦ A 9 7 2
♦ 7 4 3	♦ A K Q 5 2
♦ 10 9	

WEST (D)	SOUTH
♦ A 8 6	♦ 4
♦ J 4 2	♦ 4
♦ K 10 5	♦ 4
♦ J 8 6	♦ 4

East and West were vulnerable. The bidding:

West North East South

Pass Pass Pass Pass

1 ♠ Dbl. 2 ♠ 2 ♠

2 N.T. 3 ♠ 3 N.T. 4 ♠

Dbl. 4 ♠ Dbl. Pass

Pass Pass

West led the club three.

BOOKS

By Alan Truscott
A Biography

By Morton N. Cohen. Illustrated. 577 pages. \$35. Alfred A. Knopf.

Reviewed by Michiko Kakutani

SINCE its publication more than a century ago, Lewis Carroll's "Alice's Adventures in Wonderland" has produced a mind-boggling array of interpretations.

It has been analyzed as an allegory of Darwinian evolution, reduced to a series of mathematical puzzles and debunks as a parable about the ordeal of birth. Freudians have interpreted it as a quest for sexual gratification, logicians have unraveled it as a sequence of arcane riddles and religious scholars have read it as a parody of doctrinal controversies.

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LEWIS CARROLL: A Biography

By

Morton N. Cohen. Illustrated. 577 pages. \$35. Alfred A. Knopf.

Reviewed by Michiko Kakutani

NONE of the world's best partnerships added to its large collection of titles at the American Contract Bridge League's Fall Nationals. David Berkowitz and Larry Cohen won the Blue Ribbon Pairs, their sixth national victory together. Berkowitz celebrated his birthday by winning the event for the second time.

The bidding was the sort of battle that typically occurs when each side has a fit and the vulnerability is favorable for the side with fewer high cards. Three no-trump and four hearts would have been interesting contracts, and were often made at other tables. But North-South saved in four spades, knowing that a three-trick defeat for a loss of 500 would be profitable but a four-trick defeat for 800 would be a disaster.

Cohen introduced a subtle four-diamond bid, to suggest a lead against four hearts or four no-trump, and became the declarer in four spades doubled. A club was led to the queen, and East cashed another club winner. He then played the ace and another diamond in the hope of giving his partner a ruff.

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To the critic Roger Sale, "Wonderland" is a "sharp, jabbing, nasty" book which suggests that life is a "succession of follies and errors." And to the writer Humphrey Carpenter, it remains an "exploration of violence, death and Nothingness," a book conceived as "a mockery of Christian belief."

In his new biography of Charles Lutwidge Dodgson (a/k/a Lewis Carroll), Morton

Cohen, professor emeritus of the City University of New York, offers a more personal and more optimistic reading of "Wonderland." He not only suggests that the book was closely based on indignities and difficulties experienced by Dodgson in his own youth but also argues that the book purveys a hopeful view of its heroine's (and by implication, all children's) ability to survive in a hostile world.

Although Cohen draws on new material in this volume (including letters and diary entries that have become available to the public only in recent years), the basic outlines of Dodgson's life have been well known for a long time: his strict Victorian upbringing, as the third of 11 children born to a small-town curate and his saintly wife; his long career at Oxford as a lecturer in mathematics; his enduring interest in games, puzzles and photography, and, of course, his obsession with young girls, chief among them Alice Liddell, for whom he created "Alice's Adventures in Wonderland" and "Through the Looking Glass."

In his hands, the book becomes a prime example of what Joyce

Carroll Oates has called "pathography," one of those sensationalistic, voyeuristic works that focus on "dysfunction and disaster," foolishness and failure.

In Cohen, however, Dodgson has had the good fortune to find a biographer who is as compassionate as he is judicious, a biographer intent on using the life to shed light on the work to illuminate the life.

He situates Dodgson's reverence for the idea of childhood in context with the thinking of such contemporaries as Dickens and Teunissen and traces his large artistic and philosophical debts to William Blake, taking care to portray Dodgson as both a highly eccentric individual and a product of his age.

Cohen does not minimize the creeper aspects of Dodgson's nature (his penchant for taking photos of naked girls and his continual pursuit of new "child friends"), but he repeatedly stresses that the God-fearing Dodgson tried hard never to overstep the strict bounds of Victorian propriety.

Dodgson always asked parents to sit in on his photo sessions and asked them to give their blessings to his epistolary friendships with their children as well. Whatever darker sexual

impulses Dodgson might have had, Cohen suggests, were sublimated in his work, where his secret yearnings were translated into creative acts.

Alice Liddell's mother did not take such a benign view of the attention Dodgson lavished on her daughter, and in June 1863, an irrevocable break between Dodgson and the Liddell family occurred.

Because a crucial page from Dodgson's diary is missing, Cohen says, the exact reasons for the break are impossible to ascertain. In any case, "Charles somehow offended and was exiled" from the Liddell's lives.

The remainder of Dodgson's life seems to have been a long, sad effort to come to terms with the loss of Alice and guilt that she and her sisters had awakened in his heart.

In "Wonderland" (published in 1865), he wrote down the tales he had told them on a sunnier afternoon, amplifying the story as he went along to capture, in Cohen's words, "the disappointments, fears, and bewilderment that all children encounter" in their dealings with authoritarian, pompous and mystifying adults.

"Through the Looking Glass," published in 1871 and

inspired, in part, by the Prince and Princess of Wales' visit to Oxford in 1863, is a decidedly more melancholy book, casting Dodgson as the hapless White Knight who watches Alice go off on her own to become a queen. "Loss and rejection have replaced friendship and conviviality," Cohen writes, "and Charles' only consolation now lies in nostalgia."

In the course of recounting the story of Dodgson's life, Cohen makes several assertions that are sure to create debate among Lewis Carroll scholars. He argues that Dodgson's "belief in the Bible and the teachings of Christ was never shaken," and that "anyone who sees him plain knows just how inconceivable it

would have been for him to parody, mock or satirize any part of church doctrine."

He suggests that Dodgson's conflicted feelings about his father (adoration alternating with rebellion) animated much of his work and may have also contributed to his attraction to young girls.

The book's one flaw, a looping thematic structure that makes for many repetitions, might have been avoided had Cohen only listened to the advice the White Rabbit receives in "Wonderland": "Begin at the beginning, and go on till you come to the end; then stop."

Michiko Kakutani is on the staff of The New York Times.

WHAT THEY'RE READING

• Pierre Androuet, founder of the Guilde des Fromagers de France, is reading "Talleyrand ou le sphinx incompris" by Jean Orteux.

"From yesterday we learn

about today. Charles Maurice

Talleyrand-Périgord was in

involved in the coup that brought

Napoleon to power and took

part in most of the negotiations

during the Napoleonic wars."

(Margaret Kemp, IHT)

INTERNATIONAL
Herald Tribune
BUSINESS / FINANCE

THURSDAY, DECEMBER 7, 1995

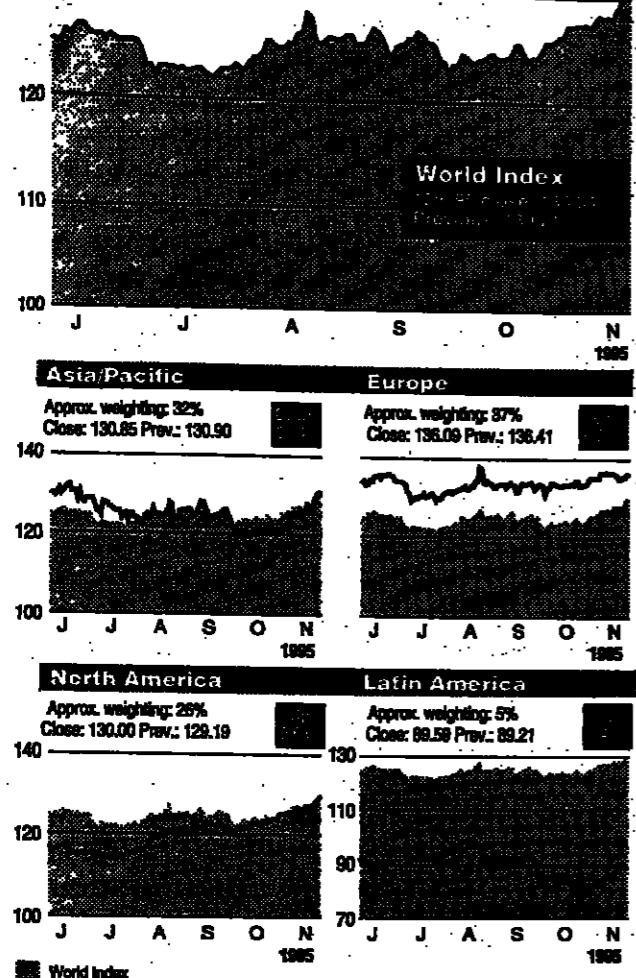
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THE TRIB INDEX: 130.34

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

130



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentine, Australia, Austria, Belgium, Brazil, Canada, Chile, Germany, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Portugal, Spain, Switzerland, Venezuela, and Vietnam. For Tokyo, New York and London, the index is composed from the top 20 issues in terms of market capitalization; otherwise the top ten stocks are tracked.

Industrial Sectors					
Wed.	Fri.	% change	Wed.	Fri.	% change
Energy	131.10	+0.41	Capital Goods	134.34	+0.05
Utilities	125.39	-0.21	Rare Materials	142.99	+1.70
Finance	123.71	-0.23	Consumer Goods	138.88	+0.83
Services	120.28	-0.73	Miscellaneous	126.96	-0.07

For more information about the Index, a booklet is available from charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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INTERNATIONAL MANAGER

Silicon Valley Comes to Switzerland

By Erik Ipsen
International Herald Tribune

LONDON — Silicon Graphics Inc. is the sort of company that governments like to boast of having around. It is not surprising, then, that the cutting-edge computer maker got a flood of offers as it shopped around for a new plant site. The surprise was the announcement Tuesday that the company had selected Switzerland.

As a country known for its scenery and skilled workers, but also for its overvalued currency and resistance to having anything to do with the European Union, Switzerland seemed a bizarre choice for the new \$26 million plant.

Javid Azziz, who heads Silicon Graphics' operations in Europe, admitted that convincing the California-based company's board it should put its money on Switzerland was about as easy as selling it on a skiing holiday in the Sahara.

He asserted that his ultimate success said as much about the problems of investing in the core countries of Europe as it did about the specific attractions of Switzerland and of the goodies dangled by what he called a "grateful" government.

"I wouldn't think of investing in Germany or France," said Mr. Azziz, a 20-year industry veteran and former chief executive of IBM United Kingdom Holdings Ltd. He wagged an accusing finger at "high labor and social costs and largely inflexible unions" in those countries.

While Swiss workers typically earn as

much as 20 percent more than their expensive rivals in Germany, in Switzerland those wages go mainly where employers intend them to go. Swiss social costs add up to just 17 cents on every dollar of payroll expense.

In contrast, Mr. Azziz calculated that high social costs in France, for instance, mean that for every dollar in wages, workers pay roughly 45 cents to the state, and their employers pay the state another 45 cents on top of that. "So that means that I must pay our \$1.45 to see 55 cents in the pocket of my employees," he said.

With numbers like those, Mr. Azziz said it was not surprising that computer manufacturers avoid countries like France and Germany.

The shift, which culminated in August when Siemens AG decided to build a \$1.4 billion chip plant in England, has its roots not in new taxes on the Continent but in the increasingly competitive market in which computer companies find themselves.

Even for the likes of Silicon Graphics — a company whose European revenue is growing at a rate of 50 percent a year and whose European work force has grown this year to about 1,100, from 650 — saving money is key, and Switzerland still is an odd choice for bargain-hunters.

But it is a choice that speaks volumes about the bitter competition between governments for employment in an increasingly job-starved region. Silicon Graphics' decision was made easier by the fact that the government had promised it a decade-long holiday from paying taxes

on profits, but the company already has a plant outside Geneva.

As for the apparent liability of being outside the EU's vaunted single market, the Swiss say that is no longer a problem. Karl Dobbler, economic adviser to the canton of Neuchâtel, which includes Geneva, pointed out that Swiss goods can pass into the EU duty-free as long as 60 percent to 70 percent of their value was added in Europe or Switzerland. The ever-accommodating Swiss authorities also allow companies to include their profit margin in that calculation.

Better yet, while the EU imposes duties on many imports based on their value, Switzerland levies duties based on weight.

"That means that high-tech parts and raw materials from America and Asia face a fraction of the customs duty they would in Britain or Germany," Mr. Dobbler said.

For Neuchâtel, which 15 years ago saw unemployment soar as cheap quartz timepieces hurt local watchmakers, all those incentives have paid off. In the last decade and a half, foreign companies ranging from Johnson & Johnson to Nokia AB of Finland have invested 1.5 billion Swiss francs (\$1.29 billion) and created 5,000 well-paid jobs there. Silicon Graphics is adding an additional 300.

For Silicon Graphics and other companies, Switzerland offers a base close to the physical center of Europe, as well as a highly educated and skilled work force. Employees must, however, pay Swiss wages for those skills and the privilege of that location.

CURRENCY & INTEREST RATES

Cross Rates		Dec. 6		Eurocurrency Deposits	
\$	U.S.	£	DM	FRF	Yen
Amsterdam	1.475	1.225	6.352	3,607	125.75
Brussels	1.4625	1.225	6.352	3,607	125.75
Frankfurt	1.405	—	—	—	—
London (d)	1.367	—	—	—	—
Madrid	1.367	—	—	—	—
New York (d)	1.3620	1.2415	1.2023	20.92	125.75
New York (n)	1.3620	1.2415	1.2023	20.92	125.75
Paris	1.405	1.245	6.365	3,635	125.75
Tokyo	1.355	1.242	7.076	2,618	125.75
Turkey	1.365	1.2364	6.352	3,607	125.75
Zurich	1.365	1.2365	6.352	3,607	125.75
1 ECU	1.364	1.2365	6.352	3,607	125.75
1 USD	1.364	1.2365	6.352	3,607	125.75

Crossings in Amsterdam, London, Milan, New York, Paris, and Zurich. Ratings in other currencies

To buy one dollar: £ To buy one dollar: Yens of 100: N.G.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per \$1	Currency	Per \$1	Currency	Per \$1
American	1.00	West. Euro	224.77	Sw. Krona	7.64
Australian	1.347	Hong Kong \$	7.75	S. Afr. rand	3,607
Austrian sch.	10.125	Icelandic króna	1,624	S. K. won	769.60
Brazil real	19.661	British pound	26.17	Swed. krona	6,517
Canadian	1.342	Canadian dollar	1.3422	Taiwan \$	27.14
Danish krona	24.60	Dollar	1.2374	Thailand baht	22.74
Dollar	1.357	Euro	1.2374	UAE dirham	5,924
Egypt, pound	2.3704	French franc	3,7507	Venez. bolívar	169.79
Français, franc	4.294	Italian lira	1,4736	Yen	125.75

Forward Rates

Currency	30-day	90-day	180-day	360-day	60-day	90-day	180-day
Pound Sterling	1.367	1.367	1.367	1.367	1.367	1.367	1.367
Swiss franc	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Deutsche mark	1.365	1.365	1.365	1.365	1.365	1.365	1.365

Source: AMBIS (London); Interbank Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (Geneva). Other rates from Reuters and AP.

Franc Floats Above Domestic Fray

By Carl Gewirtz
International Herald Tribune

PARIS — Despite spreading social strife and a weakening economy, the French franc has so far remained immune to attack by speculators on the foreign exchange market.

The government may have its back to the wall in its showdown with striking state workers over reforms, but "unless past crises, the franc has not come under heavy pressure."

Analysts cite numerous reasons for the absence of attacks on the currency, not least the hard-won credibility of the Bank of France in convincing speculators that it is no pushover. A relative absence of foreigners in the French capital markets has further strengthened the central bank's hand.

With the strike in its 13th day and showing no sign of fading, the franc rallied Wednesday against the Deutsche mark, the benchmark currency in the European monetary system. At 3,447 francs to the mark, the currency was up 0.3 percent for the day and down a mere 0.2 percent since the start of the protest.

Having been made independent in 1993 as one of the conditions for joining the European monetary union planned for the end of the decade, the central bank has faced an uphill struggle to persuade its peers as well as market players that it could be as tough as the toughest —

Cuts Possible, Paris Says

Agence France-Presse

PARIS — The government will curtail planned expenditures next year if economic growth falters below forecast levels, Finance Minister Jean Arthur said Parliament on Wednesday as prospects for the economy darkened.

"If there is a slowdown from the figure we have forecast in 1996, we will be forced to make adjustments," Mr. Arthur said against a background of strikes across the economy, which has already shown signs of slowing in the second half of this year.

He was replying to a member of Parliament who had said the growth figure of 2.8 percent implied by the proposed budget for next year would probably not be achieved.

"These adjustments, which are made during the year, are measures of prudent management to prevent public administrations from committing all their credits at the beginning of the year," Mr. Arthur said.

"That does not mean that we rule out the possibility of releasing the credits," he added. "But we must be cautious in order to control public expenditure."

The minister had already told Parliament the government had reduced its forecast for growth this year to between 2.5 percent and 2.75 percent from 2.90 percent.

the Bundesbank — in holding to its stated policy.

Trials by fire — a 1992 currency-market crisis in the run-up to the bank's independence that drove the pound and the lire from the European monetary system and another after independence in 1993 that resulted in a dramatic widening of the system's trading bands — have established the Bank of France as an opponent speculators appear loath to take on.

Its readiness to raise interest rates when speculators deemed

such action unthinkable and its willingness to spend all of its reserves and go into debt to defend the decade-old policy of a strong currency have caused speculators huge losses.

The timing of the current domestic crisis is also fortuitous for the bank. This close to the end of the year and the annual tally of profits and bonuses, speculators have little stomach for such a risky venture as betting that Paris will give in and allow the franc to be devalued against the mark.

While a devaluation has been assumed to be the only way France could create the conditions to lower interest rates and thereby spur its lackluster growth and cut unemployment, such a move would

"at best be irrelevant and at worst harmful," said Charles Wyplosz, a monetary authority at the Insead business school in Fontainebleau, France.

"The problem in France today is not one of competitiveness" due to exchange rates, he said, "but of inappropriate macroeconomic structures — like health care and pension — that need correction."

In addition, noted Patrick Arthur at Caisse des Dépôts & Consignations, France's largest institutional investor, there is an important technical reason for the absence of speculation against the franc: Foreigners no longer hold enormous volumes of French government bonds, depriving them of the tools needed to wage a battle.

He estimated that nonresident holdings of government bonds were down to

Amid Expansion, Pubs Spur Bass To Higher Profit

Compiled by Our Staff From Dispatches
LONDON — Bass PLC on Wednesday announced expansion plans and reported stronger-than-expected profit for its latest year.

The brewing and leisure concern said it planned to invest about £500 million (\$770 million) in the current year, an increase of almost £200 million from last year, creating 4,000 jobs in pubs and the leisure industry.

The company said the investment program would include £100 million for its leisure division to open 13 Gala bingo clubs by Sept. 30, 1996. Bass, which owns the Holiday Inn

hotel chain, also said it had long-range plans to build 398 hotels around the world. It already owns more than 2,000.

The company said its pretax profit for the year ended Sept. 30 was £599 million, up from £552 million and at the top end of analysts' forecasts. Sales rose 2 percent to £4.54 billion.

A final dividend of 15.6 pence a share made a total payout of 22.1 pence a share, compared with 22.1 pence a year earlier. Bass shares rose 28 pence, closing at 696.

The profit gains came mainly from Holiday Inn and Bass Taverns, its group of about 3,900 British pubs.

Branded pub chains such as Harvester, All Bar One and O'Neill's bolstered Bass Taverns, whose profit increased 12.1 percent, to £240 million. Profit at Holiday Inn rose 8.6 percent, to £164 million.

In the United States, revenue per available room improved as growth in demand continued to exceed supply and occupancy levels rose.

But Bass Leisure, which includes the company's betting and bingo outlets, raised profit only slightly, to £74 million, after the introduction of Britain's national lottery.

Bass said its pretax profit for the year ended Sept. 30 was £246.7 million (\$380 million), compared with £190 million a year earlier. Analysts' estimates ranged from £236 million to £267 million.

Michael Green, the chairman, said new partnerships aimed at launching channels in Europe and Southeast Asia were "only a beginning" and that Carlton wanted "to do much more internationally" and was "constantly seeking the right opportunities."

Television broadcasting revenue rose 35 percent to £670.1 million, and operating profit rose 72 percent to £122.8 million. Carlton shares closed at £10, up 3 pence. (Bloomberg, AP)

(Reuters, AP)

Carlton Seeks Global Growth As Profit Rises

Compiled by Our Staff From Dispatches

LONDON — Calling recent expansion moves a mere "beginning," Carlton Communications PLC said Wednesday its profit rose 30 percent in its latest year, driven by growth in revenue from television broad-

casting.

Bass's admissions were down almost 7 percent from last year, and income from amusement machines in pubs also came under pressure from the lottery, launched a year ago.

Bass's chairman, Sir Ian Prosser, praised the performance of new drinks such as Carling Premier lager, the Czech beer Staropramen and the alcoholic lemonade drink Hooper's Hooch.

"Bass is operating near its full capacity, though the U.K. brewing industry is still suffering from excess capacity," he said.

The company's total beer volume was up just 0.9 percent on the year.

Bass lost the top market-share position among Britain's brewers to Scottish & Newcastle PLC, which took over Courage Ltd. this year.

The company said it planned

to provide Premiera, a 4-year-old station based in Prague, with access to "all worldwide program resources" and to secure "cooperation with foreign experts with a high level of broadcasting knowledge." Premiera has been expanding its broadcast area from central Bohemia to other parts of the Czech Republic.

Stratton also said it would help Premiera gain market share from Nova TV, the only private nationwide Czech television station. Nova TV is owned by Central European Media Enterprises Ltd.

Stratton said it would pursue other media investments in the region.

Premiera currently covers

about 25 percent of the Czech Republic but reaches more than 50 percent of the population, said Jan Pilhal, the station's technical director.

"We want to be a family TV station, a relaxed TV station," he said. "We want to address families and women."

Analysts said they were surprised by Mr. Dingman's announcement and saw it as a move to diversify Stratton's holdings.

The remaining 55 percent stake in Premiera is owned by FTV Premiera, a Czech company owned by Investicni & Postovni's holding group. Executives at the bank said they planned to sell more Premiera shares.

U.S. Investor Takes Czech TV Stake

Bloomberg Business News

PRAGUE — Stratton Investments Ltd. said Wednesday it planned to acquire a 15 percent stake in the Czech Republic's private regional television station, Premiera TV; it did not disclose the price.

Stratton, which is controlled by the U.S. investor Michael Dingman, plans to buy the stake from Investicni & Postovni Banks A.S., a Czech merchant bank largely owned by the government. The bank currently owns 45 percent of Premiera.

Stratton recently acquired large stakes in seven Czech companies from Harvard Group, a Czech investment concern.

The company said it planned

to provide Premiera, a 4-year-old station based in Prague, with access to "all worldwide program resources" and to secure "cooperation with foreign experts with a high level of broadcasting knowledge." Premiera has been expanding its broadcast area from central Bohemia to other parts of the Czech Republic.

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U.S. STOCK MARKET DIARY

Indexes

Stock

Sales

High

Low

Last

Close

Chg.

Vol.

High

Low

Last

Close

Chg.

Sony Corp. to Run U.S. Unit Itself as CEO Steps Down

By Geraldine Fabrikant
New York Times Service

NEW YORK — Michael P. Schulhof, the head of Sony Corp.'s American operations, has resigned, apparently unable to inspire confidence in the company's Japanese management that he was doing enough to revive the company's businesses in the United States.

Mr. Schulhof's resignation Tuesday as president and chief executive of Sony Corp. of America after 21 years with the company came almost exactly a year after Sony took a \$2.7 billion write-off related to losses in its Hollywood film business.

Since then, the film division has had only a mixed record, and Sony's other major American entertainment holding, its music business, has lost market share. Meanwhile, some other

new ventures under Mr. Schulhof, including an electronic publishing business, have suffered relatively large losses.

Sony thus has taken the unusual step of replacing the head of its American business with Japanese executives who will run the company from Tokyo.

There was speculation that an American executive would soon be found to run the U.S. business. But several executives close to Sony denied that either finding a partner or hiring a new manager was a high priority for the company.

Sony's chief executive, Norio Ohga, who played key roles in acquiring and initially overseeing the American entertainment properties, will add to his titles those of chairman for the Sony Music and Sony Pictures Entertainment units.

Nobuyuki Idei, Sony's president, will add the titles of vice chairman of Sony of America and chairman of its Sony Electronics unit.

Daniel Lucas, an analyst for Town Securities Ltd. in Tokyo, said the move was symbolic.

"The overseas subsidiary has been brought to heel because Sony is trying to become a leaner and more efficient organization," he said. "When Idei first came in, he said the first thing he would do was take a good look around. I would imagine this is part of his push."

[Mr. Schulhof told the Washington Post that differences with Mr. Idei over "management style" had led to his resignation. He said his departure had "nothing to do with the performance" of Sony's U.S. operations, adding that "Mr. Idei needs to be given the breathing room." He declined to discuss details.]

Sony gave no explanation Tuesday for Mr. Schulhof's resignation. But several people close to the company cited the lackluster performance of the American operations in the past year and what they called Mr. Schulhof's propensity for spending when an economic downturn in Japan had forced companies to cut costs.

Mr. Ohga and Mr. Schulhof have been colleagues for years, but Mr. Idei, who became Sony's president in April, is said to be critical of Mr. Schulhof's spending habits and informal management style.

In a brief statement, Sony thanked Mr. Schulhof for his contributions and said he was leaving to "pursue new business interests."

Market Hits 19,000 In Tokyo

Reuters

TOKYO — The benchmark Nikkei average of 225 stocks closed above 19,000 points Wednesday for the first time since January, as cautious optimism returned to the market.

The Nikkei rose 188.33 points, or 1 percent, to finish at 19,067.86.

Soaring stock prices on Wall Street and renewed interest by foreign buyers in Japan encouraged the market. Some brokers, however, said further strong gains were unlikely this week, in view of the settlement of December options and futures contracts Friday.

"From a technical point of view, the market could rest for a while, but nobody can stop this strong buying momentum," said Kazumi Shimokawa of New Japan Securities Ltd.

Mr. Shimokawa said he thought the Nikkei would rise above 20,000 by year-end. But one analyst said, although market sentiment was good, "we should be careful from here on" in view of the futures and options expirations.

Caltex Sells Its Stake in Refiner to Nippon Oil

Reuters

TOKYO — Caltex Petroleum Corp. said Wednesday it would sell back its 50 percent stake in the refining unit of Nippon Oil Co.

Nippon Oil will pay 200 billion yen (\$1.98 billion) for the stake and aims to complete the transaction by the end of March. Nippon Oil would then own 100 percent of the unit, Nippon Petroleum Refining Co.

Nippon Oil's president, Hidejiro Ohsawa, said at a news conference, "Both companies reached an agreement today on how much would be paid."

Industry sources said Caltex, an American oil company jointly owned by Texaco Inc. and Chevron Corp., had been unhappy with the low profits from refining oil in Japan. Deregulatory measures in Japan's oil market that will take effect April 1 might also have encouraged Caltex to pull out, they said.

One source said: "Caltex may have decided to specialize in business in Asian regions other than Japan. Using common sense, no one would say Japan's oil-product market will get any better than now, especially after the market is deregulated in April."

Fears that cheap oil-product imports will flood Japan after deregulation have sparked fierce competition among domestic refiners, causing refining margins to plunge this year.

Nippon Petroleum Refining was established in 1951, in response to Nippon Oil's requests for crude oil supplies and technical and capital assistance when Japan's oil industry had yet to recover from World War II.

Mr. Ohsawa said Nippon Oil would pay for the Caltex stake from its cash revenue and that the purchase would not have a big impact on the company's profit or management.

Asahi Launches a Beer War on China's Tsingtao

Reuters

BEIJING — Wasting no time after completing an acquisition that made it China's biggest brewing group, Asahi Beer of Japan aims to replace Tsingtao as China's top beer, officials said Wednesday.

Asahi's president, Yuzo Sato, and the Japanese trading company Itochu Corp. have bought a joint 75 percent stake in China Brewery Holdings from the Hong Kong investment concern China Strategic Holdings for \$32.5 million.

The purchase, formalized in a signing in Beijing on Wednesday, gives it control of the Chinese capital's beloved Beijing Beer and the venerable Yan Tai brand of eastern Shandong Province, which was started by German colonists early this century.

Added to the three other breweries it

owns in the east and southeast, China Brewery gives Asahi a production capacity of 600,000 kiloliters (156 million gallons) for 1996, Mr. Sato said.

"We will develop and promote both the local brands of these breweries and Asahi beer, serving different markets," he said. Chinese production of Asahi Beer began in April 1994 at a plant in Quanzhou.

Mr. Sato said the company would produce 1 million 12-can cases of Asahi in 1995 and 2.1 million cases in 1996 at Quanzhou, Hangzhou and Jiaxing.

With the addition of the Beijing and Yan Tai brands, Asahi has pushed Tsingtao beer out of its place as China's top producer, and its next goal is to eclipse the Tsingtao name.

"We plan to make Asahi China's most

famous beer," said Huang Hongnian, president of China Strategic, which remains a minority partner. "It's a light taste that Chinese like, and it is a foreign brand."

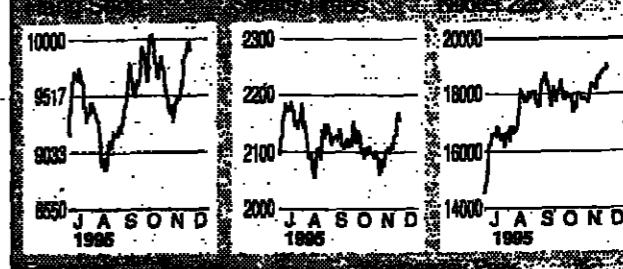
Wednesday's purchase also gives Asahi breweries in the wealthy coastal provinces of Zhejiang, Fujian and Shandong, giving it an edge in a market handicapped by poor transport.

"Transport is our biggest headache," Mr. Huang said. "The trains are congested. We use trucks to carry our beer."

Asahi faces a huge task in overtaking Tsingtao, long established as China's premium beer.

Tsingtao sells for about 2.3 yuan (30 cents) a bottle — half the price of Asahi, which has developed a small following in China's southeastern cities.

Investor's Asia



Source: Telextra

International Herald Tribune

Thai Entrepreneur Launches Asian Newspaper

By Kevin Murphy
International Herald Tribune

HONG KONG — Newsprint costs are rising, readership is falling in some places, and newspaper owners the world over are often in a defensive mode — except in Asia.

With Wednesday's launch of the Asia Times, a daily business newspaper based in Bangkok, Khun Sondhi Limthongkul, a Thai, is gambling that Asian readers want a paper written in English that he says is a mix of Western journalists, many of whom will be doing editing and production-related jobs, and Asian reporters and commentators.

Manager Media Group PLC, controlled by Khun Sondhi, the newspaper's publisher, is betting that his rivals have overlooked a still-growing and eventually profitable niche.

He says he will spend as much as \$60 million on creating the newspaper.

At the same time, the regional newspaper is planned as a brand-building exercise for a

satellite-driven broadcasting operation that Manager Media hopes to build into a rival to STAR TV, the network owned by Rupert Murdoch's News Corp.

"It's my aim that when I die, it's said this is the crazy Asian who gets up and gives the West a good fight," Khun Sondhi said at a news conference launching the newspaper in Hong Kong.

The force that Khun Sondhi has deployed in his campaign is a polyglot staff drawn from East and West alike. The staff is a mix of Western journalists, many of whom will be doing editing and production-related jobs, and Asian reporters and commentators.

Tracking the newspaper's performance will be difficult, analysts said, at least in the beginning. Many of its 30,000 initial copies were distributed free to a list of potential readers gathered from mailing lists, and others will be sold in selected Asian cities.

The first edition of the daily rolled off the presses Wednesday from its printing

centers in Bangkok, Hong Kong and Singapore, Reuters reported, but was available at few newsstands.

The 16-page first edition featured headlines about the Japanese underworld's links to the country's banking crisis as well as articles on rearmaments by high-fliers in India's financial markets and the scramble among aircraft makers for a \$3 billion contract from Malaysian Airline System Bhd.

What the concept of an Asian perspective means in practice — and how *Asia Times'* strategy will affect its competitors — have touched off a discussion since Mr. Sondhi announced plans to start the newspaper.

"I still question whether Malaysian readers are interested in Japan and vice versa," said an executive with an Asian bank based in Hong Kong. "If it isn't business, does anyone really care?"

"If it executes in plan successfully, I think the markets are there," countered Andri Nasir, managing director of Ogilvy Media Ltd. in Hong Kong.

Australia Moves to Ride the Free-Trade Wave

Compiled by Our Staff Press Dispatches

MELBOURNE — Prime Minister Paul Keating unveiled measures Wednesday he said would help Australian industry seize the opportunities that trade liberalization will bring.

At an international trade and investment conference here, Mr. Keating said, "Today we take the next steps to strengthen Australia's capacity for innovation, by which we mean generating ideas, commercializing and using new ideas, linking Australia even more closely into ideas elsewhere in the world, encouraging new ideas in business and the workplace."

He said he was planning a "cooperative" approach to promote prosperity not just in Australia but throughout the region.

"The aim is to create a world and regional environment in which the great economic forces we are seeing unleashed — and the great revolution in technology and global communications — become waves we can all ride into the 21st century," Mr. Keating said.

Part of his strategy would involve changing banking rules to allow greater direct investment in small businesses, as well as programs to upgrade the financial skills of small business operators.

The government has budgeted 500 million Australian dollars (\$375 million) for the four-year plan.

A program to build stronger ties between Australian companies and overseas partners will be created, along with a business unit in the overseas trading arm, Austrade, to encourage exports. He said these advances were being made through the Asia-Pacific Economic Cooperation forum and the World Trade Organization.

"We recognize a much greater capacity to trade and constructively engage with our region and the world," Mr. Keating said.

Announced ahead of general election early next year, Mr. Keating's "Innovate Australia" statement also contained measures seen as sweeteners for small business and so-called green-chip companies to increase their access to finance.

Those moves included easing

guidelines to allow banks to make direct investments in small firms and the creation of a "micro-stock market" to allow small companies to raise money for expansion.

The plan also would tighten rules for tax concessions on research and development and would include:

- Support for research and development by continuing a tax concession and renewing a competitive grants scheme.

- Financing for programs to support international collaboration in science and technology.

- Accelerating the spread of ideas along the information superhighway.

(AP, AFP)

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WORLD ROUNDUP

Pete Sampras, suffering a nosebleed, went on to win his match.

Bloodied Sampras Wins

TENNIS Pete Sampras defied a nosebleed to make a winning start in the lucrative Grand Slam Cup in Munich, defeating a fellow American, Patrick McEnroe, 6-1, 7-6.

Sampras, who played matches in the Davis Cup finals in Moscow on Friday, Saturday and Sunday, suffered a nosebleed after winning the opening game of the match but then won the next four games.

"My body is a little bit tired," Sampras said afterward, "but we just have one more week to go," until the end of the tennis season.

Todd Martin, Sampras's Davis Cup doubles partner, beat the world No. 13, Sergi Bruguera, 7-6, 6-4. (AFP)

Games Add Snowboarding

OLYMPICS Juan Antonio Samaranch, the International Olympic Committee president, said the Summer Olympics should not be expanded but added that there was room for more events in the Winter Games.

"We must keep the limit of 10,000 athletes as we did in Barcelona and for Atlanta," Samaranch said at the end of a three-day IOC executive board meeting in Karuizawa, Japan.

At the meeting, the IOC approved the addition of snowboarding to the 1998 Winter Olympics in Nagano. (Reuters)

Ferguson Wins Appeal

SOCCER Duncan Ferguson, the Scotland and Everton striker who is the first player in Britain to be jailed for attacking an opponent, won an appeal against a separate 12-match ban that soccer authorities imposed for the offense.

The decision by a Scottish appeals judge means that Ferguson can resume playing for Everton immediately. (Reuters)

All Blacks Pick Hart

RUGBY UNION John Hart, who was turned down three times previously as the All Blacks coach by New Zealand rugby union chiefs, finally won the job on Wednesday. Hart will be New Zealand rugby's first professional coach, but denied reports that his performance-related package would be worth \$162,000 a year. (Reuters)

Haley Unretires Again

Charles Haley, the Dallas Cowboys' star defensive end who said Monday that he was retiring, unretired again, then went to California for surgery Wednesday on a herniated disk in his lower back. It was the fourth time in his career Haley had announced his retirement. (AP)

Nantes Moves Ahead In Champions Cup

Copied by Our Staff From Dispatches

Nantes was held to a scoreless tie in the snow Wednesday by Panathinaikos, but still did well enough to advance to the quarterfinals of the European Cup, along with the Greek champions.

The French team, which needed only a tie to reach the last eight, had hoped to beat

SOCCER ROUNDUP

the Champions' League Group A leader and pass Panathinaikos on points, but the icy conditions made their neat, quick-passing style of play virtually ineffective.

Nantes played the best game but was not able to create scoring opportunities.

BLACKBURN Stevens 4, Rosenborg 1 Mike Newell stunned Rosenborg of Norway with three goals in nine minutes as the Blackburn Rovers belatedly struck winning form.

Newell scored his hat trick in the 31st, 38th and 40th minutes to sweep Blackburn to a 4-1 victory, their first in Group B in their sixth and final match. With striker Alan Shearer scoring their first goal from a 15th minute spot kick, Blackburn cast off its previous wretched form — four defeats, one draw and just one goal — to salvage a degree of pride.

BORUSSIA DORTMUND 2, Glasgow Rangers 2 Glasgow recovered from losing its midfielder Paul Gascoigne to come away from Borussia Dortmund with a tie in their final Group C match. Gascoigne got his marching orders after being booked and then later arguing with the referee. For the Rangers, so dominant in the Scottish league, the result was some consolation after a disastrous European campaign that saw them finish last in Group C. Their late equalizer came from Gordon Durie. Borussia, meanwhile, went into the game already guaranteed of a quarterfinal date with the Group D winner, Ajax Amsterdam.

In other European Champions' League matches Wednesday: Aalborg tied Porto, 2-2, in Group A; Spartak Moscow defeated Legia Warsaw, 1-0, in Group B; Steaua Bucharest and Juventus tied, 0-0, in Group C; Ajax Amsterdam beat Ferencvaros, 4-0, and Real Madrid defeated Grasshopper Zurich, 2-0, in Group D.

* In a third-round, second-leg UEFA Cup match Wednesday, Bordeaux scored a 3-2 aggregate victory over Real Betis in Seville on an extraordinary goal by Zinedine Zidane.

Gaetan Huard, the Bordeaux goalkeeper, took a goal kick. Antony Bancarel knocked it forward, and the French international Zinedine Zidane, noticing Pedro Jaro well off his line, lobbed left-footed from 40 yards over the hapless goalkeeper after just four minutes. Betis, which then needed four goals to win qualification after

its 2-0 first-leg defeat in Bordeaux, forged into the lead by halftime.

In an uneven second half, Betis failed to add to their score and conceded the tie to the visitors.

* In third-round, second-leg UEFA Cup matches, reported in some earlier editions:

Bayern Munich 3, Benfica 1 Jürgen Klinsmann struck twice to clinch a two-leg haul of six goals and thrust Bayern Munich into the quarterfinals of the UEFA Cup at the expense of the Portuguese champion, Benfica. The German national team captain, scored in the 33rd and 66th minutes in Lisbon after hitting all four goals in Bayern's 4-1 first-leg victory in Munich. The Austrian international Andreas Herzog made it 3-1 on the night for Bayern and 7-2 on aggregate with a goal in the 83rd minute.

Barcelona 2, Sevilla 1 Barcelona, the European champion in 1992, overpowered 16-man Sevilla for a 4-2 aggregate victory in an all-Spanish clash. José María Bakero put Barcelona 1-0 up on the night against Sevilla in the 61st minute to give it an aggregate 2-1 advantage six minutes before Sevilla had José Miguel Prieto sent off for a clumsy challenge on Sergi Barjuan. Three goals followed in a three-minute burst. Gica Popescu extended Barcelona's lead in the 80th minute.

Werder Bremen 0, PSV Eindhoven 0 PSV, which won the European Cup in 1988, held Werder Bremen to a scoreless tie in Germany to preserve the 2-1 advantage it had built in the first leg in the Netherlands.

Lyon 0, Nottingham Forest 0 Nottingham Forest, England's lone survivor in European competition and winner of the European Cup in 1979 and 1980, also clung to a slender first-leg lead and emerged from Lyon with a scoreless tie on the night and a 1-0 aggregate victory.

Roma 2, Brøndby 1 Roma overturned a 2-1 first-leg deficit against Brøndby to beat the Danes in the Italian capital with a last-ditch goal from Amedeo Carbone that lifted the team to a victory on aggregate. Francesco Totti scored Roma's first goal in the 23rd minute, and Abel Balbo, the Argentine striker, added another 26 minutes into the second half. But Peter Moeller, who had scored in the first leg, struck for Brøndby six minutes from the end to make it 2-1 in the game and 3-3 on aggregate. (Reuters, AFP)

* The Yokohama Marinos won the J-League, the Japanese championship, on Wednesday when it beat the two-time defending champion Verdy Kawasaki, 1-0, in the second leg of the playoff. The Yokohama striker Masami Ihara headed home a free kick from the Argentine midfielder David Bisconti in the 29th minute at National Stadium in Tokyo.

Police Seek Jets' Suspended Guard

Copied by Our Staff From Dispatches

NEW YORK — Carlton Hulseberg, the New York Jets' guard who has been missing for nine days, is believed to be driving a car a teammate reported stolen, the New York Post reported Wednesday.

Hulseberg was suspended Monday by the National Football League for failing to comply with its substance-abuse policy. On the same day, a judge in Pittsburgh issued a warrant for him. Hulseberg was due in court on charges of drunk driving and having an unregistered firearm. Last week he was fined in a Bayonne, New Jersey, court for driving erratically and arguing with the police officers who arrested him last month. Hulseberg did not attend any of the hearings. No one seems to know where he is.

Now a stolen car report has been filed on a vehicle the Jets' defensive end, Donald Evans, leased and then loaned to Hulseberg.

The Post said Hulseberg, 29, has been involved in at least one hit-and-run scrape with the car. The Post said Hulseberg's wife, Sara, received a phone call after she paged her husband this weekend. The newspaper said she heard only the sound of breathing.

"He could be in a hotel somewhere," Evans said. "I think he's alone, but I don't think it's a good time for him to be by himself. When a person has a drug problem, you don't want to find him alone in a hotel after something bad happens."

A one-time Pro Bowl selection for the Pittsburgh Steelers, Hulseberg had four days in substance-abuse rehabilitation centers and has been arrested several times for incidents involving alcohol.

Dick Haley, the Jets' personnel director, said: "It's a shame because he's got a couple of nice children, and we just want to see him succeed." (AP, NYT)

CROSSWORD

© New York Times / Edited by Will Shortz

Solution to Puzzle of Dec. 6

CAMUS	SWOOP	OED
ATEST	PRUNE	UNO
NONSENSE	EQUITY	ING
NOT practice	FROM	a raven
moderation	NONSENSE	KICKER'S asset
Carpenters, at	TEST	Also
times	SHOPPING	1 African tribe
Hopping —	SHOPPING	member
—	SHOPPING	ACTOR —
Twins, e.g.	SHOPPING	Buchholz,
Unattached	SHOPPING	A Number 1
Theme of this	SHOPPING	Works of Sappho
puzzle	SHOPPING	BELIEF OF ONE BILLION
DOCTRINES	SHOPPING	CLIMBING VINE
PHILATELIST'S	SHOPPING	BARRY JONES' star
sheet	SHOPPING	RODEO KING?
Radical Newton	SHOPPING	37-Across from a witch
Vane dir.	SHOPPING	MESSAGE IN A BOTTLE, maybe
Dracula's home	SHOPPING	37-Across from a
MORE blessed	SHOPPING	Mrs. Chaplin and namesakes
Sheriff's cry, in a	SHOPPING	50 Kind of glass
western	SHOPPING	51 Words of understanding
33-Across from the	SHOPPING	52 Despots
cartoons	SHOPPING	54 Reliever's quest
Moon over Uranus	SHOPPING	55 "You said a mouthful!"
Girfriend abroad	SHOPPING	56 Told a whopper
Zola best seller	SHOPPING	57 Legal org.
etc.	SHOPPING	58 Loupe eggs
Swerve	SHOPPING	
Suffix with fabric or authentic	SHOPPING	
Upset	SHOPPING	
Loose items, sometimes	SHOPPING	
Stitches	SHOPPING	
DOWN		
1 Rope plant		
2 Home health hazard		
3 The bad guys		
4 Nixon Veep		
5 Yellow fruit		
6 Mr. Guinness		
7 Alternative to hit		
8 Louse eggs		

CAMPUS SWOOP OED
ATEST PRUNE UNO
NONSENSE EQUITY ING
MURMURS SUBDUE MANTA KEPIS
BAISSEY FLEER ILIAD VOTES ODD
GENT JONES AQUA AXE POWER TRUST
QUOTE BOGOTA HAUNT LAGOS ABASES BASSIST
ZEK NEPLUSULTRA ELO CREEEL PLAID
LEN YEARS SERGE



Bordeaux's Geoffrey Toyes, left, battling for the ball with Oscar Arpon of Real Betis in a UEFA Cup game Wednesday. (Sergio Perez/Reuters)

Rockets Turn Tables on Jazz

The Associated Press

valley of sorts has also developed between the Los Angeles Lakers and San Antonio, but the teams' latest meeting was a 10 more lopsided than last season's second-round series.

After the Jazz defeated the Rockets last week in Houston, the visiting team returned the favor Tuesday night. Hakeem Olajuwon scored 25 points, including four in the last 54 seconds, in a 103-100 victory.

"It's a great rivalry," Hakeem Olajuwon said. "Both sides," Hakeem Olajuwon said. "Houston's second-round series.

San Antonio routed the Lakers behind David Robinson's 20 straight losses.

Charles Barkley gave Phoenix a quick start, then returned to the game to help the Suns. He scored 11 of his 24 points in the first quarter.

Michael Finley, a rookie, scored 25 points for the Suns, while Blue Edwards and Greg Anthony had 22 points each for the Grizzlies.

Spurs 106, Rockets 91 Despite Vernon Maxwell's 35 points, Philadelphia lost in 11th straight, this time to Indiana.

Malone finished with 27 points and 12 rebounds, and Chris Morris added 21.

"I think they showed why they are the world champions," said Utah's coach, Jerry Sloan.

Olajuwon's hook shot gave the Rockets a 101-100 lead with 11 seconds to play and the Jazz couldn't score again. John Stockton passed to Bryon Russell on the baseline and the ball bounced off him and out of bounds with just three seconds left. Stockton fouled Sam Cassell on the inbounds with 1.9 seconds remaining, and Cassell hit both free throws. Karl Malone's 26-foot at the buzzer skinned off the rim.

Malone finished with 27 points and 12 rebounds, and Chris Morris added 21.

For Houston, Robert Horry scored 25, including five three-pointers. Clyde Drexler scored 10 of his 17 points in the final quarter.

Spurs 117, Lakers 89 A ti-

Clubs Shop Early for Free Agents

The Associated Press

Paul Molitor returned to his roots, signing with the Minnesota Twins, while Wade Boggs went back to the New York Yankees.

On the first busy day of the free agent signing season, Molitor agreed to a \$2 million, one-year contract with Minnesota.

The 39-year-old designated hitter is a native of St. Paul, Minnesota.

Boggs, 37, will receive about \$4 million over two years from the Yankees. With Boggs' signing complete, the Yankees seem set to announce a deal that would bring first baseman Tino Martinez to New York from Seattle for third baseman Russ Davis and pitcher Sterling Hitchcock.

Florida, which traded outfielder Chuck Carr to Milwaukee, agreed to a \$1.275 million, two-year contract with outfielder Joe Orsulak. He was coming off a \$1.7 million, two-year contract with the New York Mets.

Third baseman Tim Wallach, not wanted back by Los Angeles, agreed to a minor-league contract with the California Angels.

Cal Ripken Jr., who surpassed Lou Gehrig's record of 2,131 consecutive games in the summer, will take another victory lap Sunday, when he will be named Sportsman of the Year by Sports Illustrated magazine.

INTERNATIONAL CLASSIFIED

(Continued From Page 15)

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SPORTS

Roy Leaves Quebec A Kingdom Divided

By Anne Swardson
Washington Post Service

TORONTO — Barely a month ago, the city of Montreal was convulsed by the possibility of separation. The Quebec vote on leaving Canada and becoming independent consumed countless hours of time, countless pages of newspaper, countless debates in cafés and subways.

Separation was narrowly defeated. But another controversial separation has occurred: Patrick Roy, arguably the best goalie in hockey, has left the Montreal Canadiens.

Roy has been traded to the Colorado Avalanche, a team that abandoned Quebec over the summer in a five-player deal. Pierre Lacroix, Colorado's general manager and Roy's former agent, completed the deal in the early hours of Wednesday morning.

Again, Montreal — and, to some extent, the rest of Canada — is swept up in the crisis. The leading French and English newspapers each carried 12 or more articles about Roy's impending departure on Tuesday morning.

The radio talk-shows are buzzing. Roy's news conference Monday night was carried nationwide on French and English television.

"The dust from the referendum has not even settled and here we are in another debate that divides Quebec down the middle," wrote the columnist Michel Anger in *Le Journal de Montréal*.

The circumstances of Roy's exit added to the controversy. Saturday night, during a loss at home to the Detroit Red Wings, Roy mouthed off to team president Ronald Corey after he was pulled in the second period, by which time he had allowed nine goals. Roy felt that Mario Tremblay, the coach, should have taken him out earlier.

"This is my last game in Montreal," he told Corey in the stands, then turned back to him and added: "Did you understand?"

Carey apparently did. Roy, 30, was suspended with pay and then traded.

On Monday, Roy said: "I would like to have left a different memory of myself for

"Montreal." Roy apologized to fans but not to management for his behavior.

Many feel that this is the worst thing to happen to Canadian hockey since Wayne Gretzky left Edmonton for Los Angeles in 1988. The Canadians, with 24 Stanley Cups (the past two with Roy in goal) are the winningest team in hockey. Roy is not just a good goalie; he is idolized in Montreal. A native of Quebec City, Roy's mother tongue is French, always a plus in the last French hockey city in North America after the Quebec Nordiques' move to Denver.

As the Canadian Press reporter Alan Adams said on television after Roy's news conference Monday: "I wouldn't want to be Mario Tremblay. He just chased God out of town." Fiction with Tremblay was the underlying cause of the separation, and perhaps underneath that, the fact that the Canadiens have had a lousy year. Last spring, for the first time in 25 years, they failed to make the NHL playoffs. This season, Les Habitants lost their first five games.

In response, Carey sacked Jacques Demers, the coach, and Serge Savard, the general manager. Demers always had treated Roy as a player-coach equal to the others. Tremblay and Rejean Houle, Savard's replacement, were more inclined to see Roy as a really good goalie and no more.

"Some people blame Patrick and some blame Mario. But Mario is the coach," said Michel Bergeron, former coach of the Nordiques and the New York Rangers, and now a hockey commentator for radio and television in Montreal.

Tremblay, 39, who played for the Canadiens and then was a sports broadcaster, never coached before. Houle, the 46-year-old former public relations director for the Molson-O'Keefe brewery (Molson's owns the Canadiens), also is new to hockey management, though he too played for the Habs. Quickly, the province of Quebec (filled, at MacLean's magazine put it, with "6 million coaches without portfolios") divided over who was right.

Anger likened the debate to the debate over independence. The pro-Roy faction



Flyers' Eric Lindros tumbling, after check by Detroit's Vladimir Konstantinov.

favors a "distinct status," just as separatists want Quebec to be a "distinct society." Tremblay supporters, Anger said, believe that "all players should be equal," an opinion held by many of those who wish to remain in Canada. French speakers tend to side with Roy, English speakers with Tremblay.

Roy lives in Quebec year-round, unlike many team members, and is so active in charities for children's cancer that a new wing of a Montreal hospital is being named after him.

The next few games will be tough. Coaching the Canadiens, Maclean's magazine said a few years back, "is probably the toughest job a Canadian could have that does not involve nine shafts or keeping the peace in Sarajevo."

SCOREBOARD

BASKETBALL

NBA STANDINGS

NORTHWEST CONFERENCE		
ATLANTIC DIVISION		
Orlando	14	4
New York	12	6
Miami	11	7
New Jersey	7	8
Boston	6	9
Philadelphia	5	10
Toronto	2	13
CENTRAL DIVISION		
Chicago	12	2
Atlanta	7	8
Indiana	7	8
Charlotte	7	9
Orlando	6	10
Minnesota	5	10
Toronto	6	12
WESTERN CONFERENCE		
Seattle	12	1
Houston	10	4
Phoenix	9	5
San Antonio	8	6
Dallas	7	7
Utah	6	8
Golden State	5	9
Vancouver	2	14
PACIFIC DIVISION		
Seattle	12	4
Oklahoma City	10	5
Portland	9	6
Phoenix	8	7
L.A. Clippers	7	8
Golden State	6	10
Vancouver	2	14

MAJOR COLLEGE SCORES		
ALK-SHREVEPORT 41, SOUTH ALABAMA 39		
Adams 24, Morrison 24	10	10
McGinn 10, Morris 10	27	27
P. Marshall 11-10-12-25, Shuckers 11-12-11-21	15	16
S. Smith 6-6-14, Miller 7-13-5-22	16	16
Bethune Young 7-6, Utley 5-2-22	16	16
Col St.-Fall River 25, San Diego St. 25, OT	16	16
California 23, San Francisco 20	16	16
Colorado 23, Army 20	16	16
Georgia 20, Washington 16, James Madison 16	16	16
Hampshire U. 23, Citadel 16	16	16
Harvard 22, Holy Cross 14	16	16
Iowa 26, J. Iowa 22	16	16
Jacksonville 22, Cornell 19	16	16
L.A. Lakers 22, 28-22-22-22	16	16
San Antonio 21, 24-24-24-24	16	16
Seattle 21, 24-24-24-24	16	16
St. Louis 21, 24-24-24-24	16	16
Utah 21, 24-24-24-24	16	16
Washington 21, 24-24-24-24	16	16
Wisconsin 21, 24-24-24-24	16	16
WESTERN CONFERENCE		
DETROIT 17-6-2-26, WHITBIRG 10-6-2-26	16	16
Winnipeg 13-10-2-29, LOVINS 9-7-2-29	16	16
Calgary 11-9-2-23, CHAPMAN 9-7-23	16	16
Chicago 11-12-4-26, GIBSON 11-12-4-26	16	16
St. Louis 9-8-6-24, DODGE 9-8-6-24	16	16
PACIFIC DIVISION		
Colorado 21-10-4-26, HOLSTEN 19-10-4-26	16	16
Los Angeles 21-10-4-26, HOLSTEN 19-10-4-26	16	16
Los Angeles 21-10-4-26, HOLSTEN 19-10-4-26	16	16
Portland 21-10-4-26, HOLSTEN 19-10-4-26	16	16
Seattle 21-10-4-26, HOLSTEN 19-10-4-26	16	16
TUESDAY'S RESULTS		
Boston 2-2-2-2, BOSTON 2-2-2-2	16	16
Brooklyn 2-2-2-2, BROOKLYN 2-2-2-2	16	16
Florida 1-1-1-1, TAMPA BAY 1-1-1-1	16	16
Philadelphia 1-1-1-1, PHILADELPHIA 1-1-1-1	16	16
N.Y. Rangers 1-1-1-1, NEW YORK 1-1-1-1	16	16
New Jersey 1-1-1-1, NEW JERSEY 1-1-1-1	16	16
Washington 1-1-1-1, WASHINGTON 1-1-1-1	16	16
N.Y. Islanders 1-1-1-1, NEW YORK 1-1-1-1	16	16
SUNDAY'S RESULTS		
Boston 2-2-2-2, BOSTON 2-2-2-2	16	16
Brooklyn 2-2-2-2, BROOKLYN 2-2-2-2	16	16
Florida 1-1-1-1, TAMPA BAY 1-1-1-1	16	16
Philadelphia 1-1-1-1, PHILADELPHIA 1-1-1-1	16	16
N.Y. Rangers 1-1-1-1, NEW YORK 1-1-1-1	16	16
New Jersey 1-1-1-1, NEW JERSEY 1-1-1-1	16	16
Washington 1-1-1-1, WASHINGTON 1-1-1-1	16	16
N.Y. Islanders 1-1-1-1, NEW YORK 1-1-1-1	16	16

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE		
ATLANTIC DIVISION		
Alta. 12-11-2-24, Atlanta 12-11-2-24	16	16
Montreal 12-11-2-24, Boston 12-11-2-24	16	16
New York 12-11-2-24, Buffalo 12-11-2-24	16	16
Philadelphia 12-11-2-24, Carolina 12-11-2-24	16	16
Toronto 12-11-2-24, Florida 12-11-2-24	16	16
Washington 12-11-2-24, New Jersey 12-11-2-24	16	16
NORTHEAST DIVISION		
Boston 12-11-2-24, Hartford 12-11-2-24	16	16
Montreal 12-11-2-24, New Jersey 12-11-2-24	16	16
New York 12-11-2-24, Philadelphia 12-11-2-24	16	16
Philadelphia 12-11-2-24, Washington 12-11-2-24	16	16
PACIFIC DIVISION		
Seattle 12-11-2-24, Anaheim 12-11-2-24	16	16
Edmonton 12-11-2-24, Colorado 12-11-2-24	16	16
Los Angeles 12-11-2-24, Minnesota 12-11-2-24	16	16
Vancouver 12-11-2-24, St. Louis 12-11-2-24	16	16
WESTERN CONFERENCE		
Calgary 12-11-2-24, Dallas 12-11-2-24	16	16
Edmonton 12-11-2-24, Minnesota 12-11-2-24	16	16
Los Angeles 12-11-2-24, St. Louis 12-11-2-24	16	16
Montreal 12-11-2-24, Vancouver 12-11-2-24	16	16

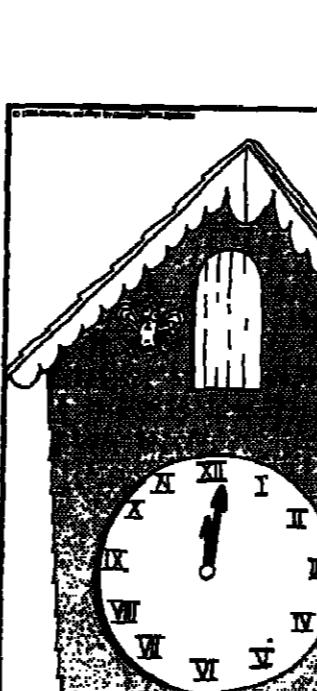
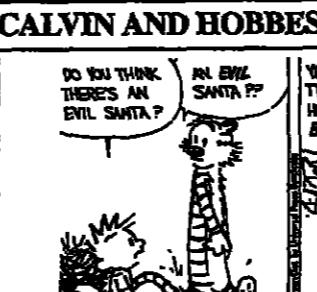
PEANUTS

PEANUTS



CALVIN AND HOBBES

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Panthers Back on Top After Beating Capitals

The Associated Press

The Florida Panthers are back on top in the NHL's Atlantic Division after defeating the Washington Capitals.

"The key to our success is a solid all-around team effort," Scott Mellanby said after the Panthers improved their NHL

ART BUCHWALD

A Banana Split

WASHINGTON — I made a terrible mistake the other day after hearing the congressional debate on the budget. I turned to my favorite Diamond Taxi driver, Mo, and said, "This country is getting worse than a banana republic."

To my surprise Mo took umbrage at this remark and said, "That wasn't a nice thing to say. I come from a banana republic, and we would never behave like this."

"I'm sorry, Mo. It's just that nobody in Washington gives a damn about anything except power, and the only thing that comes to mind is what spoiled banana peels our legislators really are."

Mo told me, "I picked up a



senator this morning and I asked him if he was responsible for the temporary furloughing of many government employees, why did members of Congress still accept their salaries? He responded, 'Let's not mix oranges and bananas. The workers laid off did not hold essential positions in the government and therefore could be sent home. Congress, on the other hand, is essential and must be paid.'

"Well, if we aren't a banana republic, what kind of republic are we?" I wanted to know.

Mo said, "A struggling re-public, a bankrupt republic or even a rotten tomato republic, but certainly not one that compares with the top bananas."

"Why not?"

"All people are concerned about right now are the presidential elections. In a banana republic, elections are decided beforehand. You hold them only when you are sure that you're going to win."

"The citizens respect their leaders in a banana republic — unlike the United States, where every time someone gets elected they have to hire a lawyer to defend themselves against a Justice Department special prosecutor."

In a banana republic, when there is a budget crisis, the leaders send the troops into the street. In this country, the leaders go out and play golf, and the Congress pretends to be serious.

"In a banana republic, we throw the opposition into the slammer. That's why everyone thinks twice before shutting down the president's dining room."

"I'll tell you another thing: No leader in a banana republic would shut down an entire government just because he had to sit in the back of the plane."

41 Nations Enter Race for Oscar

The Associated Press

LOS ANGELES — Forty-one countries have submitted films in hopes of capturing an Oscar nomination for best foreign language film.

Five nominees will be announced Feb. 13 for the 68th annual Academy Awards ceremony in Los Angeles on March 25, the Academy of Motion Picture Arts and Sciences said. A record 45 countries submitted films last year, the Academy said.

The films are selected by a jury of filmmakers in each country and submitted to the academy's Foreign Language Film Award Committee. Last year's winner was "Burnt by the Sun" by Russian filmmaker Nikita Mikhalkov.

Sidney Poitier at 68: 'Sir' Is Back, in Chicago

By David Richards
Washington Post Service

NEW YORK — Sidney Poitier toppled so many barriers in Hollywood he was once called "film-dom's Jackie Robinson." But on this particular day he seems to be trying excessively hard not to take credit for his trailblazing career.

"I've been extremely fortunate in that I've been a party to some very interesting films," he acknowledges. "I don't deny that I brought something to them. But once the magic is made, one has to keep an eye on all the component elements, not just the corner that might shine the brightest. Do you know what I mean?"

Poitier doesn't pretend to know how any of it came about or why it happened to him, as opposed to another actor. "If you apply reason and logic to this career of mine, you're not going to get very far. You simply won't," he admits. "The journey has been incredible from its beginning. So much of life, it seems to me, is determined by pure randomness."

Poitier and his second wife, former actress Joanna Shimkus, who starred with him in the 1969 film "The Lost Man," live in a two-story co-op on the Upper East Side. But he is zealous about guarding their privacy. When he talks to the press, he prefers the anonymity of a hotel room.

Poitier's speech is marked by carefully measured cadences that suggest both his reflective temperament and his West Indian heritage. The rhythm rarely changes, but as he gets caught up in an idea, he leans progressively forward, so that at one point he is actually hunched over his knees, his fingers hooked under the arches of his feet. Time has been good to him. There is a residual boyishness in his round cheeks, and his dark eyes throw off a sparkle that must have been read as mischievousness when he was younger. If he is 68, as the books claim, then he is 68 going on 45.

Currently, Poitier is making his 47th film, a still-unitled sequel to his 1967 hit "To Sir With Love." In the original, he played a teacher who took on a class of problem kids in London's East End and taught them tolerance. Poitier insists it was all fortuitous. Others disagree. Last weekend Poitier was one of the five recipients of the 18th annual Kennedy Center Honors, celebrating a lifetime of achievement in the arts. "Well, I guess [the center's trustees] said to themselves that this guy and his body of work — coming when it did, as it did — have some value," Poitier reflects.

Modesty was always one of the qualities Poitier projected best on the screen. He made it seem like a form of strength. His most memorable characters were firm, objective, in control under pressure. It was others who blew their stacks, sputtered and lost their dignity. He stood his ground — wary, but firm.

Let him insist it was all fortuitous.

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